

**Government of Jammu and Kashmir  
Industries and Commerce Department  
Civil Secretariat, Jammu/Srinagar**

**Notification**

**Jammu the 31<sup>st</sup> March, 2016**

**SRO -105** In exercise of the powers conferred by section 15 read with section 23C of the Mines and Minerals (Development & Regulation) Act.1957, (Central Act 67 of 1957), the Government of Jammu & Kashmir hereby makes the following rules for regulating the grant of various forms of mineral concessions in respect of minor minerals and storage, transportation of minerals and prevention of illegal mining in the State.

**CHAPTER-I**

**Preliminary**

**1. Short title, extent and commencement.-** (1) These rules may be called **the Jammu and Kashmir Minor Mineral Concession, Storage, Transportation of Minerals and Prevention of Illegal Mining Rules, 2016.**

(2) These rules shall be applicable throughout the State of Jammu & Kashmir and shall come into force from the date of publication in the Government Gazette.

**2. Definitions.-** (1) In these rules, unless the context otherwise requires:-

- (i) **"Act"** means the Mines and Minerals (Development & Regulation) Act, 1957 (Central Act 67 of 1957);
- (ii) **"Appellate Authority"** means the authority designated as such under rule 85 of these rules;
- (iii) **"Assessee"** means a person holding Mining lease, Quarry licence, a Short Term Permit or a Disposal Permit and includes any other person who has excavated or removed or used, or is excavating or removing or processing or using, minor mineral/minerals;
- (iv) **"Assessing Authority"** means Assessing Authority designated by Government as such;
- (v) **"Assessment Year"** means the period of twelve months commencing from the first day of April every year;
- (vi) **"Authorized officer"** means an officer authorized by the Government to exercise such powers and to perform such functions as prescribed under these rules;
- (vii) **"Brick earth"** means earth used for making bricks and shall include all types of earth used for construction of dams, canals, roads, rail embankments and other identical purposes;

- (viii) **"Building stone"** means any rock or mineral used as building or construction material;
- (ix) **"Boundary pillar"** means concrete pillar of size 100x50x50 centimeter painted yellow and marked with lease/contract number and pillar number along with coordinates;
- (x) **"Carrier"** means any mode of transport or facility, by which mineral or its products are transported either in raw or processed form from the place of raising or from one place to another and includes any mechanized device, person, animal or cart;
- (xi) **"Competent authority"** means the authority competent to grant of mining lease under rule 42 of these rules;
- (xii) **"Competitive bid"** means an amount offered by the participant in the open auction under these rules;
- (xiii) **"Concessionaire"** means a person holding a Mining Lease, Mining Licence, Quarry License, Short Term Permit and Disposable Permit granted under these rules;
- (xiv) **"Department"** means the Department of Geology and Mining, Government of Jammu and Kashmir;
- (xv) **"Director"** means Director of Geology and Mining, Government of Jammu and Kashmir;
- (xvi) **"District Environment Committee"** means the committee to be constituted by the Ministry of Forest and Environment, Government of India to oversee the environmental issues pertaining to the concerned district;
- (xvii) **"District Mineral Foundation"** means a nonprofit Trust to be formed in each District of the State by the Government which will work under the State mineral foundation;
- (xviii) **"Dead Rent"** means the minimum amount payable in a year by a person holding a Mining Lease or Mining Licence under these rules notwithstanding such lessee/licensee operating the area fully or partly;
- (xix) **"Disposal Permit"** means a permit granted for removal of minor minerals from the agricultural or horticulture land or State land or Kahcharai or Shamilat land or Forest land where minor minerals have been deposited due to weathering. However, the Kahcharai and Shamilat lands shall be governed by J&K Land Revenue Act;
- (xx) **"Environment Committee"** means the committee constituted by the Ministry of Forest and Environment, Government of India to oversee the environmental issues in this regard;
- (xxi) **"Environment and Environmental Pollution"** shall have the same meanings as assigned to them in the Environment (Protection) Act, 1986(Central Act No.29 of 1986);

- (xxii) **“Environment Management Plan (EMP)”** means a plan submitted by Lessee or Licensee falling in a cluster which is prepared by Recognized Qualified Person approved by the Environment Committee of Government of Jammu and Kashmir for providing environmental safeguards;
- (xxiii) **"Excavation"** means extraction or digging and or collection/ removal of minor minerals from any land, river, nallah, canal or hillock;
- (xxiv) **“Family”** means the applicant, his father and mother whether living jointly or separately, his wife, sons and unmarried daughters;
- (xxv) **"Form"** means form appended to these rules;
- (xxvi) **"Fund"** means the Mines and Mineral Development, Restoration and Rehabilitation Fund;
- (xxvii) **“Final Mine Closure Plan”** means a plan for the purpose of decommissioning, reclamation and rehabilitation in the mine, cluster or part thereof after cessation of mining and mineral processing operations that has been prepared in the manner specified in the standard format as per the guidelines issued by the Indian Bureau of Mines or the Government;
- (xxviii) **“Financial assurance”** means the sureties furnished by the Concessionaire to the Director so as to indemnify the authorities against the reclamation and rehabilitation cost;
- (xxix) **"Government"** means the Government of Jammu and Kashmir;
- (xxx) **“Guarantee amount”** means non-refundable amount payable for grant of concession in addition to other dues payable under these rules through open auction;
- (xxxi) **“Illegal Mining”** means and refers to the manner of undertaking mining which is inconsistent with mining plan or scheme of mining, clearances given and permissions granted under the Act and rules;
- (xxxii) **"Lessee"** means a person holding a valid Mining Lease under these rules;
- (xxxiii) **"Letter of Intent (LOI)"** means a letter of intent issued to the successful bidder on acceptance of the bid/application for grant of a mining lease, quarry licence;
- (xxxiv) **"Licensing authority"** means the Director or officer Incharge as defined in clause (xLvii);
- (xxxv) **"Mineral dealer licence"** means holder of a mineral license granted under these rules for the purpose of storing, stocking, trading and dispatch of mineral/minor mineral and their products;
- (xxxvi) **“Minor Mineral Block”** means an area not less than 05 hectares and more than 50 hectares in a continuous stretch of land/water body, having defined limits with the evidence of one or more minor minerals that can be feasibly exploited;

- (xxxvii) **“Minor Mineral Plot”** means an area not less than 01 hectares and not more than 05 hectares in a continuous stretch of land/water body, having defined limits with the evidence of one or more minor minerals that can be feasibly exploited;
- (xxxviii) **"Mineral Concession"** means a Mining Lease, Mining Licence, Quarry License, Short Term Permit and Disposable Permit in respect of minor mineral permitting the mining of minor mineral in accordance with these rules;
- (xxxix) **“Mining dues”** means and includes any of the dues on account of royalty, dead rent amount payable towards the Mines and Mineral Development, Restoration and Rehabilitation Fund, interest on delayed payments or any fee or amount payable under these rules;
- (xL) **"Mining Lease"** means a lease granted under these rules to undertake excavation and to carry away any minor mineral specified therein;
- (xLi) **"Mining operations"** means any operation undertaken for the purpose of mining any minor mineral;
- (xLii) **"Mining plan"** means a plan prepared by a Recognized Qualified Person (RQP) on behalf of mineral concession holder of minor mineral and includes progressive and final mine closure plans duly approved under these rules and without which mining activity cannot be undertaken;
- (xLiii) **"Mineral products"** means minerals/minor minerals in any raw or processed form;
- (xLiv) **“Mineral Transit Pass”** means a document issued by the Director, Geology and Mining to the Officer-in-charge of the concerned District to the Lessee/licensee/permit holder/ contractor for lawful dispatch and transportation of mineral(s) raised for which Director, Geology & Mining shall maintain logbook / challan issuance book which shall be audited annually;
- (xLv) **"Mineral transport permit"** means a permit issued by the Director or an Officer authorized by him to the carrier or machine owner to use such carrier or machine for lawful mining and transportation of minerals raised in accordance with the provisions of the Act;
- (xLvi) **"Minor Mineral”** means minor mineral as defined in section 3(e) of the Act;
- (xLvii) **"Officer-in-charge"** means an officer of the Department from disciplines of Mining/Geology possessing the qualification of a Degree or Diploma in Mining or M.Sc Geology and designated as Incharge of a particular district by the Government;
- (xLviii) **“Open auction/e-auction”** Open auction or e-auction means bidding by the competitors online or through physical presence before the auction committee for grant of mineral concessions;

- ((xLix))      **“Processing”** means all physical processes such as pulverizing and /or grinding and /or powering or washing of minerals in such a way that no chemical change takes place by that process and includes cutting and polishing process of slate, granite blocks or marble blocks or blocks of any other types of rocks;
- (Li)          **“Producer”** means any person carrying on the business of extracting, producing or collecting minerals or mineral aggregates in raw or processed form including the licensee of a registered metal mineral unit, as the case may be, in accordance with the provisions of the Act or rules made there under;
- (Lii)         **“Progressive Mine Closure Plan”** means a Progressive Plan for the purpose of providing protective, reclamation and rehabilitation measures in a mine or part thereof that has been prepared in a manner specified in the standard format and guidelines issued by the Indian Bureau of Mines or Department;
- (Liii)        **“Prescribed”** means as may be prescribed from time to time under these rules by the Government;
- (Liv)         **"Quarry"** means any area declared as such by the Director or officer Incharge as authorized by the Government in this behalf;
- (Lv)          **“Quarry License”** means a license granted under these rules to excavate minor mineral from any specified mineral deposit or plot;
- (Lvi)         **"Royalty”** means the charge payable to the Department in respect of the minor minerals excavated, removed or utilized under these rules from any land including river, nallah, canal or hillock as prescribed in schedule-1;
- (Lvii)        **“Recognized Qualified Person (RQP)”** means a person registered by the Director under these rules as RQP having minimum qualification as detailed in chapter-II, Rule 11 of these rules;
- (Lix)         **“Schedule”** means the schedule appended to these rules;
- (Lx)          **"Short Term Permit"** means a permit granted under these rules for excavation, removal and sale of a specified quantity of mineral within a specified period and from a specified area less than 01 hectare;
- (Lxi)         **"Scheme of mining"** means a scheme prepared by a recognized qualified person (RQP) on behalf of concessionary for systematic and scientific mining of minor mineral(s) which would need the Government approval before making it operational;
- (Lxii)        **"Scientific mining"** means and refers to mining operations consistent with the approved mining plan/scheme of mining, clearance/permissions granted by the Director/Officer Incharge;
- (Lxiii)       **“stock-yard’ or ‘sale-depot”** means any place where a mineral or its products are stored and stocked in any raw or processed form for commercial purposes;

- (Lxiv) “**unscientific mining**” means and refers to the manner of undertaking mining operations not consistent with the mining plan/scheme of mining approved, clearances/permissions granted by the Government Director/Officer Incharge as the case may be;
- (Lxv) “**Un-authorized mining**” means any mining operation undertaken without any valid mineral concession granted under the Act and Rules made thereunder;
- (Lxvi) “**State Mineral Foundation**” There shall be a State Mineral Foundation which will have District Mineral Foundation in every district as per the guidelines issued by the Ministry of Mining, Government of India. Separate notification about collection of resources and functioning of the foundation shall be issued by the Government.

Words and expressions used but not defined in these rules shall have the meanings respectively assigned to them in the Act. However, wherever word mineral is used in these rules shall include minor minerals also, if otherwise not specified.

**3. General Restrictions.-** (1) No person shall undertake any mining operation or activity in respect of any minor mineral in any part of the State except under and in accordance with the terms and conditions of minor mineral concession rules in any form, which shall be processed on the basis of no objection certificate issued by the following within the stipulated period:

- (i) Deputy Commissioner concerned;
- (ii) Conservator of Forests concerned;
- (iii) Executive Engineer (I&FC) Department or Executive Engineer (PHE) Department as the case may be;
- (iv) Dy. Director, Fisheries concerned; and
- (v) Jammu and Kashmir State Pollution Control Board:

Provided that no minor mineral concession shall be granted on any land which is under agriculture or horticulture production or which is kacharai land, shamalat land, forest land, protected areas and eco-sensitive zones whether wholly or partly.

(2) The mode and nature of grant of minor mineral concession in different areas i.e. Lease, Licence, Short Term Permit from time to time shall be as provided under these rules.

**4. Other restrictions.** (1) No minor mineral concession shall be granted in respect of any land within a distance of:

- (i) 50 meters from the outer periphery of the defined limits of a national highway, Railway line, State Highway, major district roads (MDR) and other district roads (ODRs) where excavation does not require use of explosives unless otherwise specifically notified by the Government in this regard with due justification;

- (ii) 100 meters from the outer periphery of the defined limits of a national highway, Railway line, State Highway, major district roads (MDR) and other district road (ODRs) where excavation require use of explosives unless otherwise specifically notified by the Government in this regard with due justification;
- (iii) 50 meters from any other public road; and
- (iv) 20 meters upstream as well as downstream of water works, head works or hydraulic works and 25 meter from any embankment' or 'flood embankment' as defined under the Jammu and Kashmir Water Resources (Regulation and Management) Act, 2010.

(2) No minor mineral concession shall be granted in respect of such minor mineral or in such area, as the Government may notify, from time to time.

(3) No mining activity/operation shall be carried out in any river bed below the depth of 3 meters or below the water level, whichever is lesser. The water level or the depth of river bed shall be determined by the Chief Engineer, Irrigation & Flood Control Department or by an officer authorized by the Government for this purpose.

(4) No minor mineral concession shall be granted for a period more than 5 years in case of Bajri and Sand.

## CHAPTER-II

### Grant of Minor Mineral Concession

**5. Grant of Minor Mineral Concession for scientific and systematic mining.-** The grant of minor mineral concessions under this Chapter shall be initiated by Director or Officer in-charge authorized by the Government:

Provided that, where mining of minor minerals below ground water table is proposed, the Department shall conduct hydro-geological regime studies of the area before grant of such concession.

**6. Mining Plan a pre requisite to the grant of minor mineral concession.-** (1) No person shall be granted any minor mineral concession in any area under these rules unless a mining plan is submitted and approved by the Government:

Provided that no such plan shall be required for short term permit or disposal permit as defined in these rules.

(2) No person shall commence mining operations for minor minerals in any area except and in accordance with a mining plan approved under these rules.

(3) Every minor mineral concessionaire shall prepare a mining plan along with the mine closure plan (progressive and final) and shall not commence mining operations in any area except in accordance with such mining plan duly approved under these rules. The mining plan shall contain the conceptual plan of the mining area taking into consideration the following aspects:-

- (i) level of production.
- (ii) level of mechanization.
- (iii) type of machinery used.
- (iv) quantity of diesel/energy fuel consumption.
- (v) number of trees uprooted due to proposed mining operations.

(4) The mining plan shall also incorporate the following details:-

- (i) the plan of the area under concession delineated on a map with boundaries duly marked along with the positions of boundary pillar with GPS readings;
- (ii) the plan of the area under concession showing the nature and extent of the mineral body/spot or spots where the mining operations are proposed to be undertaken;
- (iii) the plan of the area showing natural water courses, limits of reserved and other forest areas and density of trees if any, assessment of impact of mining activity on forest, land, surface and environment including air and water pollution i.e. the environment management plan;
- (iv) details of the Geology and lithology of the area including the estimated mineral reserves of the area;



- (v) extent of manual mining or mining with the use of machinery and mechanical devices;
- (vi) tentative scheme of mining, annual programme and plan for excavation/production from year-to-year for a period of five years as part of mining plan;
- (vii) proposed method of mining/development of mines, use of explosives and blasting operations if any, stocking and disposal of minerals, mine-drainage pattern, handling of the overburden, location of weigh bridges, and mineral processing if any while undertaking semi-mechanized open cast mining;
- (viii) progressive and final mine closure plan;
- (ix) details of scheme of restoration/rehabilitation of the area through afforestation, land reclamation, use of pollution control devices and such other measures as may be directed by the Government at time of approval to be executed by the lessee/ Concessionaire on monthly, quarterly or yearly basis.

(5) Where the mining operations have already been undertaken under an existing mineral concession before the commencement of these rules, the holder of such mineral concession shall also submit a mining plan along with mine closure plan within a period of ninety days from the commencement of these rules for approval by the authorized officer.

(6) Every mining plan or scheme of mining submitted for approval under these rules shall be accompanied with a non-refundable fee of Rs. 1000/- for each hectare or part thereof in respect of the mining area covered under the mining plan.

(7) Every mining plan shall contain all plans and sections serially numbered or suitably indexed. The tracings or copies of such plans and sections duly certified for its correctness by the owner, agent, Mining Engineer or Manager or Geologist appointed by the concessionaire, shall be kept at the site office of the minor mineral mine /concession area.

(8) In addition to the requirements stipulated under sub-rules (3) and (4) above, every mining plan shall delineate the approach in respects of environmental safeguards and restoration and rehabilitation measures of the area with regard to the following:-

- (i) precautions for the protection of environment and control of pollution while undertaking mining operations in the area granted on minor mineral concession;
- (ii) control of air-pollution due to dust exhaust emissions or fumes during mining or processing operations for minor mineral and related activities' and containing the same within permissible limits specified under any environmental law for the time being in force;
- (iii) precautions to prevent or reduce the discharge of toxic and objectionable liquid effluents from minor mineral concession area, workshop or processing plant within the permissible limits. No such toxic effluent shall be discharged in any water body or in the sub soil through a bore hole.

- (iv) abatement of and control over the noise arising out of mining and processing operations for minor minerals so as to keep the same within the permissible limits;
- (v) prevention and containment of any damage to the flora and fauna of the area held under concession and the nearby area, scheme of undertaking plantation to compensate for any unavoidable damage and maintenance of the same during the subsistence of the concession period;
- (vi) removal and stacking of any top soil or over burden or waste rock and non-saleable minor mineral excavated/ generated during the mining operations and utilization of the same for restoration and rehabilitation of the area;
- (vii) plan for phased restoration, reclamation and rehabilitation of land affected by mining operations.

(9) The mining plan shall be approved in consultation with the Fisheries, Forest, Irrigation and Flood Control Departments;

(10) The mining plan once approved shall be valid for the mineral concession period unless revised or modified by the Government during the concession period.

**7. Review of Mining Plan.**—The owner, agent, Mining Engineer or Manager or Geologist of every mine shall review the mining plan after every five years and shall submit scheme of mining for the next five years or the concession period, as the case may be, to the authorized officer for its approval by the Government.

**8. Modification of Mining Plan.**- (1) Where any modification of the approved mining plan is required during the subsistence of the minor mineral concession, the concessionaire shall get any such modification approved from the officer authorized in this behalf:

Provided that in respect of river bed mining or mining near a water works, hydraulic works embankment etc, the No Objection Certificate of the concerned Executive Engineer, Irrigation and/or Flood Control Department shall be obtained before any modification is made in the original mining plan by the officer authorized in this behalf.'

(2) The authorized officer may wherever needed require the minor mineral concessionaire to make such modifications in the mining plan referred to above or impose such conditions, as he may consider necessary, by an order in writing if such modifications or imposition of condition are considered necessary in view of.-

- (i) the experience of operations of mines;
- (ii) the change in technological development;
- (iii) of any change in legal provisions or orders of any court.

(3) A minor mineral concessionaire desirous of seeking modifications in the approved mining plan as are considered expedient in the interest of safe and scientific mining, conservation of minerals, or for the protection of environment, shall apply to the authorized officer in this behalf setting forth the intended modifications and also explaining the reasons for the same.

**9. Financial assurance.-** The minor mineral concessionaire shall furnish financial assurance amounting to Rs 25000/-per hectare or part of the area granted under the mineral concession and put to use for mining and allied activities subject to minimum of rupees one lac in the form and manner as may be prescribed.

**10. Preparation of Mining Plan.- (1)** A mining plan shall be prepared by a Recognized Qualified Person (RQP) registered under these rules or recognized under rule 22 B of the Mineral Concession Rules, 1960(central rules).

(2) The Director shall specify all such persons who are so registered/recognized by him under sub-rule (1) above and keep a list of such persons updated.

**11. Registration of Recognized Qualified Person (RQP).- (1)** No person shall be registered as a Recognized Qualified Person by the Director, unless he possesses:-

- (i) a degree in Mining Engineering or a post graduate degree in Geology granted by a University established or incorporated by or under an Act of the Parliament or Act of State Legislature or any institution recognized or incorporated by the University Grants Commission established under section 4 of the University Grants Commission Act, 1956 (3 of 1956) or any qualification equivalent thereto granted by any University or Institution outside India and possessing a professional experience of five years of working in a supervisory capacity in the field of mining or mineral administration after obtaining degree; or
- (ii) a three year full time diploma certificate in Mining Engineering awarded by a State Technical Education Board or a University or Authority recognized by the Govt. of India and possessing professional experience of 10 years of working in a supervisory capacity in the field of Mining or mineral administration after obtaining the diploma.

(2) Any person possessing the qualification and experience as prescribed under sub rule (1) may apply to the Director, for registration as a Recognized Qualifying Person along with a fee of Rs 10,000/- (Rs ten thousand only).

(3) The Director may, after making such enquiry as deemed appropriate, grant or refuse registration and where registration is refused, the Director shall record the reasons therefore in writing and communicate the same to the applicant.

(4) The registration granted under sub rule (2) shall be valid for a period of 10 years.

(5) The registration can be renewed on filing of application and deposit of such fee as may be prescribed, from time to time, for a further period of 10 years.

**12. Approval of Mining Plan/Scheme of Mining. (1)** The Government or any Officer authorized by the Government in this behalf shall approve the mining plan or such modified mining plan or scheme of mining with or without any modification within a period of forty-five days from the date of receipt or submission of such application for approval of mining plan or modified mining plan or scheme of mining, as the case may be and after consulting the Forest, Fisheries and Irrigation & Flood Control Departments.

(2) The officer authorized by the Government for purposes of approving the mining plan/scheme under sub-rule (1) shall possess the qualifications as prescribed under clause (XLVII) of rule 2 of these rules.

## CHAPTER-III

### ENVIRONMENTAL SAFE GUARDS

**13. Protection of Environment.-** Every holder of minor mineral concession shall take all possible precautions for the protection of environment and control of pollution while conducting mining operations in the minor mineral concession area:

Provided that the concessionaire shall submit the Environment Clearance from the district environment committee in respect of his minor mineral concession area as per the Notifications issued by Ministry of Environment & Forests(MoEF) GOI from time to time.

**14. Cluster of Small Quarries.-** The Director shall club individual quarries falling in areas ancestrally occupied and certified by the revenue authority in this regard, with area less than 05 hectares and declare them as cluster of quarries provided that.-

- (i) the sum total of such quarries in a cluster shall not be more than 20; and
- (ii) the area of such cluster quarries shall not exceed 50 hectares.

(2) If the number of quarries or sum total of the area exceeds 20 quarries and/or 50 hectares, the powers in this regard shall be exercisable by the Government.

**15. Environment Management Plan for Cluster of Quarries.- (1)** For a cluster, Environmental Management Plan shall be collectively prepared by the minor mineral concessionaire of the cluster through a recognized qualified person and submitted to the District Environment Committee for final approval by the Government or the authorized Officer of the Government in this behalf separately.

(2) Environment Clearance is to be sought from the Ministry of Environment, Forest and Climate Change (MoEFCC), Government of India in case of mining area/cluster is 50 hectares or more and from the State Level Environment Impact Assessment Authority (SIEAAs) for such areas / clusters less than 50 hectares, as per Impact Assessment Notification, 2006 with amendment of 2009 and memorandum issued by MOEFCC, GoI of May 18, 2012 for areas less than 5 hectares and such other amendments as may be notified from time to time.

**16. Implementation of Common issues of Environment Management Plan (EMP) in a Cluster.-** Each and all minor mineral concession holders in a cluster shall be individually and jointly responsible for implementation of the environmental management plan.

**17. Removal and utilization of top soil.- (1)** Where top soil exists and is to be excavated for mining operations for minor mineral, it should be removed and stored separately.

(2) The top soil so removed shall be utilized for restoration and rehabilitation of the land which is no longer required for mining operations or for stabilizing or landscaping the external dump.

(3) Where top soil cannot be used concurrently, it shall be stored separately for future use, keeping in view that the bacterial organism should not die and should be spread in a nearby area.

**18. Storage of overburden, waste rock etc.-** (1) The overburden, waste rock and non-saleable minor mineral generated during mining operations for minor mineral shall be stored separately in properly formed dumps on grounds earmarked.

(2) Such dumps shall be properly secured to prevent the escape of material in harmful quantities which may cause degradation of the surrounding land or silting of water courses.

(3) Wherever possible, such waste rock or overburden or other rejects, shall be backfilled into the worked out minor mineral area, where minor mineral has been recovered upto the optimum depth, with a view to restore the land to its original use or desired alternate use, as far as possible and where the backfilling is not feasible, the waste dumps shall be suitably terraced and stabilized by planting vegetation or otherwise.

**19. Reclamation and Rehabilitation of lands.-** Every holder of mineral concession shall undertake the phased restoration, reclamation and rehabilitation of land affected by mining operation and shall complete this work before the conclusion of such operations and abandonment of mine.

**20. Restoration, Reclamation and rehabilitation in a cluster.-** Where large numbers of small mines are situated and worked out in clusters, at such places the provisions of quarrying of minor minerals should be done in a systematic and scientific manner. The programme of restoration and reclamation of the mined out area and rehabilitation must be made jointly in phased manner in the abandoned areas in an entire cluster of the minor minerals. Environmental clearance may be obtained by corporate body or the concept of Regional Environmental Assessment (REA) and Regional Environmental Management Plan (REMP) prepared accordingly.

**21. Precautions against air pollution.-** Air pollution due to dust, exhaust emissions or fumes during mining or processing operations for minor mineral and related activities shall be controlled and kept within permissible limits specified under any environmental laws for the time being in force.

**22. Discharge of effluents.-** Every holder of a mineral concession shall take all possible precautions to prevent or reduce to a minimum the discharge of toxic and objectionable liquid effluents from minor mineral area, workshop or processing plant into surface or ground water bodies and usable lands. These effluents shall conform to the standards laid down in this regard.

**23. Precautions against noise.-** Noise arising out of mining and processing operations for minor mineral shall be abated or controlled by the holder of mineral concession at the source so as to keep it within the permissible limit as per the Noise Pollution (Regulation and Control) Rules, 2000, with amendments made from time to time.

**24. Permissible limits and standards.-** The standards and permissible limits of all pollutants, toxins and noise referred to in rule 18,21, 22 and 23 shall be as prescribed under the Environment (Protection Act) 1986. The standards for emissions or discharge of environment pollutants shall be as per Rule 3(1) of the rules notified under the said Act.

**25. Restoration of flora.-** Every holder of mineral concession shall.-

- (i) carry out mining operations in such a manner so as to cause least damage to the flora of the area held under mineral concession;
- (ii) take immediate measures for planting in the same area or any other area selected by concerned authority or Regional Office of Ministry of Environment and Forest or the authorized officer not less than twice the number of trees destroyed by reason of any mining operation;
- (iii) look after them during the subsistence of the mineral concession after which these trees shall be handed over to the State Forest Department or any other authority as may be nominated by Government; and
- (iv) restore, to the extent possible, other flora destroyed by mining operation.

**CHAPTER-IV**  
**GRANT OF MINING LEASE**

**26. Restrictions on grant and renewal of Mining Lease.- (1)** No mining lease shall be granted by the competent authority unless the such authority is satisfied that there is evidence to show that the area for which the lease is applied for has occurrences of minor mineral.

(2) No lease shall be granted or renewed by the competent authority unless there is a mining plan duly approved under these rules and environmental clearance has been obtained by the applicant irrespective of the size of the mining area.

**27. Procedure for grant of Mining lease.—**Any minor mineral deposits may be granted for a mining lease by the Government for a period not less than 05 years but not exceeding 15 years depending upon the nature of the mineral deposit:

Provided that where minerals are deposited in the State land, the lease shall be granted after following an open auction process as provided under Chapter-VI of these rules excluding –

- (i) the quarry areas ancestrally occupied and certified by the revenue authorities in this regard; and
- (ii) areas earmarked for operation by such public sector undertaking as the Government may direct:

Provided further that Director shall constitute one or more Committees for identification of minor mineral blocks having an area not less than 05 hectares but not more than 50 hectares which shall be put to open auction after approval from the competent authority.

**28. Application for grant or renewal of mining lease of minor minerals.— (1)** Every application for grant of mining lease shall be made to the authorized officer in Form ML1.

(2) Every application for renewal of mining lease shall be made to the authorized officer at least 12 months before the date of expiry of such lease in **Form ML2**.

(3) Every application made under sub rules (1) and (2) above shall be accompanied by:-

- (i) a non refundable fees of Rs. 50,000/- ;
- (ii) a plan of the area on suitable scale connecting one or more of the corner pillars with a fixed reference point in vicinity with accurate bearings and distances and descriptions of the area applied for **and** incorporated with title verification of the land;
- (iii) a copy of No Due Certificate from officer authorized by the Government in this behalf:



Provided that where any injunction has been issued by the Court or any other authority staying recovery of any dues, the non-payment thereof shall not be treated as a disqualification for the purpose of granting or renewing the lease:

Provided further that No Due Certificate shall not be required where a person has furnished an affidavit certified by a Civil Court to the satisfaction of the Department stating that he or any member of his family does not or did not hold a mining lease or any other type of mineral concession and no dues of the Department are outstanding against him or any member of his family;

- (iv) an affidavit giving particulars of mineral-wise areas already held under mining lease/prospecting licence/quarry licence,-
  - (a) by the applicant; or
  - (b) with any person having joint interest; or
  - (c) already granted but not yet executed/registered; or
  - (d) already applied but not yet granted.
- (v) Income Tax Clearance Certificate / income tax return of the previous year.
- (vi) Copy of ADHAR Card and PAN Card.

**29. Acknowledgement of application.-** Every application under rule 28 shall be acknowledged in Form ML3 on the date of its receipt.

**30. Disposal of applications for grant and renewal of the mining lease.- (1)** An application for grant of mining lease shall be disposed of by the competent authority within a period of 12 months from the date of its receipt.

(2) An application for renewal of mining lease made within the stipulated period shall be disposed of before the expiry of lease by the competent authority.

**31. Renewal or Refusal of application of mining lease.-** The competent authority may refuse to grant or renew any mining lease subject to reasons to be recorded and communicated to the applicant in writing.

**32. Register of Mining Lease applications and mining leases: (1)** A register of mining lease applications shall be maintained in the office of the Director in **Form ML4**.

(2) A register of mining leases shall be maintained in the office of the Director in **Form ML5**.

**33. Area of Mining Lease of minor minerals.-** Area for grant of mining lease shall not be less than 5 hectares and no mining lease shall be granted over an area exceeding 50 hectares:

Provided that minimum area for grant of mining lease shall not be less than one hectare in case of stray, isolated and deposits shallow in nature:

Provided further that no concessionaire shall acquire one or more minor concessions covering total area of more than five hundred hectares in the State.

**34. Period for which Mining Lease for minor minerals may be granted or renewed.-** (1) The maximum period for which a mining lease may be granted shall not exceed 15 years depending upon the nature of deposit.

(2) The minimum period for which any such mining lease may be granted shall not be less than five years.

(3) The period of mining lease in respect of river born deposits shall not exceed 05 years.

(4) A mining lease may be renewed for a period not exceeding 10 years.

(5) No renewal of mining lease shall be done after a total period of 25 years of such mining lease.

**35. Renewal of Mining Lease of minor mineral.-** (1) The competent authority may, while granting renewal of a mining lease impose conditions relating to mechanized development of mines and establishment of mineral based industry.

(2) No application for renewal of mining lease shall be accepted after the expiry of lease.

**36. Security deposits.-** The lessee shall be required to deposit a sum of **Rs.1,00,000/-** per hectare as security in the shape of a fixed deposit in favour of Director or in any other form/manner, as may be prescribed by the Government, for the due observance of the terms and conditions of lease.

**37. Transfer of Mining Lease.-** (1) Except with the prior approval in writing of the competent authority, the lessee shall not.-

(i) assign, sublet, mortgage or in any other manner transfer the mining lease or any right, title or interest therein; or

(ii) enter into or make any arrangement, contract or understanding whereby the lessee will or may be directly or indirectly financed to a substantial extent by, or under, which the lessee's operations or undertakings will or may be substantially controlled by any person or body of persons other than lessee.

(2) Any application for transfer of mining lease shall be submitted to the competent authority along with a processing fee of **Rs. 50,000/-**. The said application shall be considered by the competent authority subject to the conditions that.-

(i) the lease has remained in force for at least two years from the date of its grant; and

(ii) no dues are outstanding against the transferor or transferee.

(3) An application for transfer of mining lease shall be disposed of by the Government.

(4) Transfer of mining lease shall not be considered as a matter of right and the competent authority may refuse such transfer for the reasons to be recorded and communicated in writing to the lessee.

(5) Where, on an application for transfer of mining lease under these rules, the competent authority has given consent for transfer of such lease, transfer deed in **Form ML6** shall be executed within three months from the date of consent after which the consent given shall be deemed to have been withdrawn.

**38. Conditions of lease.-** (1) Every mining lease shall be subject to the following conditions:-

- (i) the holder of a mining lease granted before the commencement of these rules, shall notwithstanding anything contained in the instrument of lease or any law or rules in force at such commencement, pay royalty in respect of any mineral removed by lessee from the leased area or consumed after such commencement, at the rates specified in **Schedule-I** in respect of that minor mineral and in the manner as ordered by the competent authority;
- (ii) the holder of a mining lease granted under these rules shall pay royalty in respect of any minor mineral removed by him from and/ or consumed, at the rate specified in the **Schedule -I** in respect of that mineral in the manner as ordered by the competent authority;
- (iii) the lessee shall pay surface rent for surface area used by him for the purpose of mining to the Revenue Department where such land is State land;
- (iv) the lessee shall pay yearly dead rent, as per rates specified in **Schedule-II**, in quarterly installments in advance:

Provided that the lessee shall be liable to pay either dead rent or royalty in respect of each minor mineral whichever is higher but not both;

- (v) the lessee shall pay all dues in the office of authorized officer in such manner as may be mentioned in the lease agreement;
- (vi) the lessee shall not cut or injure any tree in area of his lease without the previous sanction in writing of an officer authorized in this behalf under law;
- (vii) the lessee shall, at his own expenses, erect and at all times maintain and repair boundary pillars and marks according to the plan and demarcation report annexed to the lease;
- (viii) the lessee shall not erect, set-up or place any building or industrial unit in the leased out area:

Provided that shelter for labourers to rest or field office may be erected, which if not removed before expiry of lease shall become the property of the Government; and

- (ix) the lessee shall commence mining operations within three months from the date of execution of the lease and thereafter carry on such operations effectively in a manner which will ensure safety of labourers, conservation of mineral, removal of over burden, and its proper dumping, storage, drainage of water and removal of all valuable minerals from the mines in accordance with the rules.

(2) The lessee shall as per Environment Management Plan-

- (i) take immediate measures for plantation, in the same area or any other area selected by the Director or an officer authorized by him, of trees not less than twice the number of trees destroyed by reasons of any mining operation and shall look after them during the subsistence of the lease, after which these trees shall be the property of the Government;

- (ii) restore to the extent possible the mined out areas and other flora destroyed by the mining operations; and
- (iii) properly stack the top soil recovered during surface operations and use the same for plantation or as backfill.

(3) The lessee shall keep accurate and faithful accounts of all minor minerals excavated from the mines, the quantity lying in stock at the mines and the quantity dispatched/utilized therefrom as also the number of persons employed in **Form ML7** which shall contain particulars regarding the quantity of minor mineral sold/utilized, its value and name of persons or firms to whom sold. The accounts shall be produced before the assessing authority on such date as may be fixed in this behalf for the purpose of assessment. The lessee shall maintain up to date plans of the mines and shall also allow any officer of the Department as may be authorized by the Director in this behalf to examine such accounts and plans at any time and shall furnish him other information as he may require.

(4) The lessee shall furnish monthly returns in the **Form ML8** to Director/Designated Authority by 15th of the following month to which the returns relate and Annual Returns in the **Form ML9** by or before 30<sup>th</sup> April of each year.

(5) The lessee or any other person shall not remove or dispatch the minor mineral from the lease hold without proper challans in **Form A**.

(6) The lessee shall abide by all laws and rules for the time being in force in the State and all such other laws or rules as may be enforced from time to time in respect of working at the mines and other matters relating to safety, health and convenience of the employees or of the public.

(7) The lessee shall allow existing and future lease holders of any land which is comprised in or is reached by the land held by the lessee, reasonable facilities for access thereto,

(8) The lessee shall allow any Officer of the Department to enter upon the premises comprised in the lease for the purpose of inspecting the same and abide by instructions issued by him from time to time regarding the conservation and development of minerals and the matter related thereto.

(9) The lessee shall make good and pay such compensation as may be assessed by lawful authority in accordance with the law or rules or order in force on the subject for all damages, injuries or disturbances which may be caused by him and shall indemnify, the Department against such damages, injury or disturbances and expenses in connection therewith.

(10) The lessee shall forthwith report to the Department about any accident which may occur at or in the said premises.

(11) The lessee shall report to the Department the discovery of any mineral not specified in the lease within thirty days of such discovery and shall not dispose of such mineral unless he is permitted to do so by grant of lease or otherwise.

(12) If the lessee intends to work such newly discovered mineral or minerals, he shall, within three months of making such report as mentioned in Clause (11) intimate his intention to the Director, apply for mining lease in respect thereof in accordance with the

rules regulating the grant of mining concessions for that mineral and he may find preference over other applicants for grant of mineral concession for that/these mineral(s) within his existing lease area. However, such mining lease shall not be a matter of right.

(13) If the lessee intimates his intention not to work the newly discovered mineral or fails to report about the same within stipulated period from the date of discovery of new mineral, then it shall be open to the Department to grant a lease for the working of the same to any other person. Any objection in this regard will be disposed of after due consideration by the Government.

(14) The lessee may apply for surrender of whole or part of the lease on the ground that deposits of that mineral have since exhausted or depleted to such an extent that it is no longer economical to work the minor mineral. The Government may permit the lessee for such surrender which shall be accepted subject to the following conditions:-

- (i) the extent of surrendered area shall not be less than the minimum prescribed size of the plot fixed for the minor mineral for that area and shall be rectangular and contiguous in shape and length being not more than 4 time the width;
- (ii) there shall be no dues outstanding against the lessee;
- (iii) the lessee applies for such surrender at least 03 months before the intended date of surrender;
- (iv) the lessee gives an undertaking that he will not cause any hindrance in the working of mineral area so surrendered, by any other person who is subsequently granted a mining lease in respect of that minor mineral/area:

Provided that the security deposited by lessee shall be adjusted against outstanding dues, if any.

(15) The lease shall be liable to be cancelled by the competent authority if the lessee ceases to work the mine for a continuous period of six months.

(16) In case of any breach on the part of the lessee of any covenant or condition contained in the lease the Government may determine the lease on the recommendation of the Director who shall take possession of the said premises and forfeit the security deposit or in the alternative may impose payment of a penalty not exceeding twice the amount of annual dead rent of the lease. Such action shall not be taken unless the lease has failed to remedy the breach after serving of 50 days notice.

(17) As soon as the lease gets expired or is surrendered or is determined, the lessee shall deliver up the said premises and all mines dug therein in a proper and workable state (save in respect of any working as to which the Director might have sanctioned abandonment) to the Director.

(18) The minor mineral, machinery or any structures left on expiry of lease or on determination of lease or on surrender of lease as the case may be shall be removed by the lessee within 30 days of the date of expiry or surrender or receipt of the order of determination of lease and if the minor mineral, machinery or structures is not removed within the aforesaid period, the same shall belong to the Government and Director may dispose it off either by public auction, or by direct sale at the rate prevalent in the adjacent area or by any other means or in any other manner found fit:

Provided that the said condition shall also be applicable to the part of lease surrendered.

(19) The Director may by six months prior notice in writing determine the lease, if it considers that the area under the lease is required for public interest:

Provided, that such notice shall be dispensed within the event of war or any other situation making it impracticable to give such notice.

(20) Director may by an order in writing prohibit further mining or quarrying in the leased area, if in his opinion such operation is likely to cause premature collapse of any part of the working or otherwise endanger the mine or quarry or the safety of persons employed therein, or there is danger as regard to outbreak of fire or flooding or such operation may cause damage to any property.

(21) The lessee shall not work or carry on or allow to be worked or carried on at any point within a distance as specified in rule 4 from any railway line except with the previous written permission of the Railway administration concerned, or from any reservoir, canal or other public works or buildings or inhabited site except with the previous permission of the Collector or any other officer authorized by or under any law for the time being in force or by the Government in this behalf and otherwise than in accordance with such instructions, restrictions and conditions either general or special as may be attached to such permissions. The said distance as specified in rule 4 shall be measured in the case of railway, reservoir or canal horizontally from the outer toe of the bank or the outer edge of the cutting as the case may be, and in case of a building horizontally from the plinth thereof.

Explanation: For the purpose of this sub-rule:-

- (a) The expression "Railway administration" shall have the same meaning as defined under sub-section (4) of section 3 in the Indian Railway Act; and
- (b) "Public road" shall mean a road which has been constructed or artificially surfaced by the Government as distinct from a track resulting from repeated use.

(22) If any area of the leased area is declared as a protected area under the Ancient Monuments Preservation Act, 1904, the lessee shall have to deliver the possession back to the Department without claiming any compensation for the area.

(23) The lessee shall deliver to or permit sample or samples to be taken by the representative of the Department of all rocks found on Mines or raised there from and all intermediate and finished products sold or intended for sale by the lessee.

(24) The lessee shall abstain from entering upon the surface of any occupied Government land or on any private land comprised within the leased area without obtaining in writing the prior consent of the occupant.

(25) The Director may with the prior approval of the Government impose such special condition as deemed necessary, in the interest of mineral development/protection.

**39. Lapsing of leases.- (1)** Subject to the other conditions of these rules, where mining operations are not commenced within six months from execution of the lease deed or is discontinued for a continuous period of six months after commencement of

such operations, the Director shall, by an order, declare the mining lease as lapsed and communicate the declaration to the lessee.

(2) Where a lessee is unable to commence the mining operations within a period of six months from the date of execution of the lease, or discontinues mining operations for period exceeding six months for reasons beyond his control, he may submit an application to Director explaining reasons of the same at least one month before expiry of such period.

(3) The Director may on receipt of application made under sub rule (2) and on being satisfied about the genuineness of reasons for the non-commencement of mining operation, or discontinuance thereof, pass an order before the date on which the lease would have otherwise lapsed, requesting the Government for extending or refusing to the extension of the period of lease.

(4) Every application under sub rule (2) shall be entered in the register kept for this purpose and a receipt shall be given to the applicant.

**40. Execution of Lease.-** (1) Where the lease has been granted or renewed under these rules, the lessee shall pay demarcation fee, deposit the security alongwith one quarterly installment of annual dead rent and submit requisite stamps for execution of formal lease deed in Form **ML10** within 30 days from the date of issue of order of grant.

(2) The lease deed shall be executed within three months from the date of issue of order of grant and the Director shall sign the lease.

(3) The lease deed shall be got registered by the lessee within a period of one month from the date of execution of the lease deed and registered lease deed shall be submitted immediately to the Director.

(4) Where the grantee fails to comply with the provisions of sub-rules (1), (2), & (3) above, the order granting the lease shall be deemed to have been revoked and amount of security and dead rent deposited by him shall stand forfeited:

Provided that if the grantee applies before expiry of 30 days specified in sub-rule (1) for extension of time for completing the formalities mentioned therein, the competent authority may allow further time not exceeding 30 days if it is satisfied that there are sufficient reasons to believe that the grantee is not responsible for the delay in the execution/ registration/submission of lease deed. The competent authority may permit the execution/registration/submission and return of the lease deed within a reasonable time after expiry of aforesaid period subject to payment of penalty @ 10% of annual dead rent for every month of delay or part thereof.

(5) After the registration of duly executed lease deed under sub rule (2) the Director or the Officer authorized by the Government shall make arrangements at the expenses of the lessee for demarcation of the granted area:

Provided that where the competent authority feels it necessary to demarcate the area before issuing an order of grant for mining lease, it may ask the applicant to deposit the demarcation charges as may be determined within time specified by him and get the area demarcated:

Provided further that if the applicant fails to deposit demarcation charges within the period specified in this regard by the competent authority, the order for grant of lease shall stand cancelled.

**41. Currency of lease.-** The currency of lease shall begin from the date on which duly executed deed is registered. The lessee shall have no right to continue work or accumulate stock on or after the date of termination of lease or its earlier determination, unless otherwise permitted by the competent authority.

**42. Authority to grant Mining Lease.-** The authority to grant mining lease shall be:-

- (a) Director for an area upto 25 hectares; and
- (b) Government for an area exceeding 25 hectares.



## Chapter-V **Grant of Quarry Licence**

**43. Restriction on grant of Quarry Licence.-** No quarry licence shall be granted or renewed unless a duly approved mining plan or scheme of mining is submitted to the competent authority and approved by it:

Provided that the Environmental Management Plan shall be mandatory irrespective of the size of the areas/plots.

**44. Procedure for grant of Quarry License.-** Any minor mineral deposits which in the opinion of the Director are to be operated under a Quarry Licence, he may grant such license for a minimum period of three years which may extend upto five years. The lease/quarry license shall not be renewed after expiry of five years and the area shall be put to auction after expiry of the period of lease/license:

Provided that where minerals are deposited in the State land, the lease shall be granted after following an open auction process as provided under Chapter-VI of these rules excluding –

- (i) the quarry areas ancestrally occupied and certified by the revenue authorities in this regard; and
- (ii) areas earmarked for operation by such public sector undertaking as the Government may direct:

Provided further that the Director shall constitute one or more Committee for identification of Minor Mineral plots having a minimum area of 1 hectare and not exceeding 05 hectares which shall be put to open auction after approval from the Competent Authority.

**45. Period and area of quarry license.- (1)** No quarry license shall be granted for a period exceeding **5 years** and shall not be renewed.

(2) No quarry license shall be granted for an area exceeding 05 hectares.

**46. Application for grant/renewal of quarry license.- (1)** Every application for the grant/renewal of quarry license shall be submitted in Form **QL1** to the Officer Incharge and shall be accompanied by a non refundable fee of Rs. 5,000/-.

(2) Every such application made under sub rule (1) shall be accompanied by:-

- (i) site plan of the applied area along with coordinates;
- (ii) revenue extracts of the applied area along with last Jamabandi position;
- (iii) No Demand Certificate of the Department;
- (iv) the consent of owner or occupier of the applied area; and
- (v) copy of PAN Card/Ahhaar Card.

**47. Disposal of applications for grant/renewal of quarry license.- (1)** Every application for grant of quarry licensee shall be disposed off within a period of 6 months.

(2) The application for renewal of quarry licensee shall be disposed off within a period of 3 months provided that application is made three months prior to the date of expiry of the licence which is sought to be renewed.

**48. Grant and renewal of Quarry License.-** (1) The extraction of minor minerals from any land shall be regulated by grant of quarry license by Director or an Officer authorized by the Government in this behalf:

Provided that grant of quarry license for extraction of river bed material shall be regulated as per the related provisions of the Jammu and Kashmir Water Resources (Regulation and Management) Act, 2010 and Jammu and Kashmir Water Resources (Regulation and Management) Rules, 2011.

(2) The Director or an Officer authorized by the Government within his jurisdiction shall issue/renew the quarry license in the form **QL2**:

Provided, that in respect of quarrying of river bed material, the said license shall be granted by the Director or an Officer authorized by the Government only after seeking specific NOC from the concerned Executive Engineer of the Irrigation and/or Flood Control Department in terms of the Jammu and Kashmir Water Resource (Regulation and Management) Act, 2010:

Provided further that no license shall be issued in respect of Forest/Protected area and Eco-sensitive Zones, whether partly or wholly, unless prior sanction is obtained from the competent authority as per Jammu and Kashmir Forest Conservation Act, 1997 and the Jammu and Kashmir Wildlife Protection Act, 1978 containing details of volume of minerals i.e quantity to be extracted or removed and validity of time period.

**49. Security deposits.-** The licensee shall be required to deposit a sum of **Rs. 50,000/-** per hectare or part thereof as security in the shape of a fixed deposit or in any other form or manner as may be prescribed by the Director for the due observance of the terms and conditions of license.

**50. Conditions of Quarry licence.-** (1) The licensee shall pay advance royalty to the Department on monthly basis on the quantity of the minor mineral intended to be dispatched from the quarry at the rates specified in the **Schedule-I**. after making such payment by the licensee, the officer authorized in this behalf shall within his jurisdiction issue the authorization for lifting/removal of the said quantity in Form **QL3**.

(2) The licensee shall remove the quarry waste dumped during excavation or pay such amount per year or part thereof to the Department for removal of quarry waste dumped during the extraction at such rate and at such time as may be fixed by Department from time to time.

(3) The licensee shall start work in the quarry within ten days of the grant of license and shall thereafter continue to work effectively in a proper skillful and workman like manner with regard to conservation of mineral and safety of labourers and surroundings.

(4) The licensee shall maintain and at all times keep intact boundary pillars at the corners of the plot/area according to the approved site plan.

(5) The licensee shall abide by the instructions of the Department regarding the working of the quarry, removal of waste, drainage and other matters concerned with the systematic development and working of the area.

(6) The licensee shall make to the reasonable satisfaction and pay such compensation as may be determined by lawful authority in accordance with the law or rules or order in force on the subject for damages, injuries or disturbances which may be caused by him and shall indemnify and keep indemnified the Department against all such damages, injuries or disturbances and all costs and expenses incurred thereon or therewith.

(7) The licensee shall without any delay report to the Department any accident which may occur at or in the said premises and also the discovery in or around the license area of any mineral not specified in the license.

(8) The license may be cancelled by the Director without giving any notice if the licensee fails to start work at the said quarry or does not work it for a continuous period of four months.

(9) The minor mineral left on the expiry of license period or cancellation of license shall be removed by licensee within 15 days of the expiry of license or receipt of the order of cancellation of license.

(10) The licensee shall confine his workings within the limits of the minor mineral plot allotted to him and shall not undertake mining outside his plot. In case the licensee is found working outside the boundary of his allotted plot/area, the license may be cancelled.

(11) The licensee shall not obstruct approach to the adjoining licensees. In case of any dispute about the approach road, directions of Director or officer Incharge shall be final and binding.

(12) The licensee shall have to make the transportation of mineral removed from the plot/area under a proper challan in **Form A**.

**51. Cancellation of licence.-** If the licensee commits breach of terms of license or any provision of the rules or fails to comply with the directions given, within the period specified, the Director or an Officer authorized by the Government may give a 15 days notice to the licensee to remedy the breach or to comply with the directions. In case the licensee fails to remedy the breach or to comply with the directions within such period, the Director or an officer authorized in this behalf may impose a penalty not exceeding Rs. 25,000/- or may cancel the license with forfeiture of security deposits and license fee for the remaining period of the license.

## Chapter -VI

### Grant of Mining Lease/Quarry Licence by Auction

**52. Grant of Mining lease/Quarry licence.-** Mining leases and Quarry Licences shall be granted only through a process of open auction by the authority competent to grant lease/licence.

**53. Auction Committee.-** In each district grant of Mineral Concessions shall be conducted through auction by a Committee consisting of following officers:-

1. Dy. Commissioner concerned or an Officer authorized by him  
not below the rank of Additional Deputy Commissioner (Chairman)
2. Superintending Engineer(R&B) or an officer authorized by  
him not below the rank of Executive Engineer (Member)
3. District Treasury Officer (Member)
4. Executive Engineer (I&FC) (Member)
5. Officer of the Department not below the rank of  
Deputy Director/Mining Engineer.  
(Member)
6. Officer Incharge of the Department of the  
concerned District  
(Member Secretary)

**54. Determination of Reserve Price.-** (1) The Director shall fix the reserve price in each mining lease or quarry licence with the approval of the Government.

(2) The reserve price may be fixed keeping in view the following:-

- (i) actual physical quantities of mineral produced and dispatched from the area concerned during last three years;
- (ii) last three years collection of royalty from such deposits in open market in the State and the other States;
- (iii) expected increase in revenue in the proposed contract period due to increased consumption of mineral in coming times; and
- (iv) potential of mineral reserves, feasibility, haulage facilities and other relevant matters about the area.

**55. Terms and Conditions for grant of Mineral Concession through auction.-** (1) The auction of mineral concession area shall be conducted at the District headquarter of the concerned district by the Chairman of the auction committee in presence of its members.

(2) The terms and conditions and description of the Mineral Concession area shall be read out to the intending bidders at the time of auction;

(3) The participants in the auction shall at the time of auction submit the following amount/documents to the auction committee.-

- (a) earnest money not less than Rs. 1.50 lacs or 15% of the minimum bid amount whichever is higher in the shape of CDR pledged to Officer Incharge of the District.
- (b) an affidavit stating that no dues of the Department are outstanding against the bidder or partners of the firm/Directors of the Company or their family members, as the case may be.
- (c) power of attorney or resolution passed by the Board of Directors in case intending bidder is a Partnership Firm or Company or Society, as the case may be;
- (d) Income Tax Clearance Certificate/Income Tax Return as provided in Income Tax Act, 1961.

(4) No interest shall be payable by the Department on the earnest money.

(5) Any participant not having the requisite earnest money, affidavit regarding no dues and power of attorney shall not be allowed to participate in the auction.

(6) The Chairman shall conduct the auction in the peaceful manner and may direct any bidder to leave the auction premises in the event of misbehavior during the course of auction and shall reject his bid or, if necessary, debar him for a period of three years from the date of misbehaving for grant of any Concession under these rules including forfeiture of earnest money deposited by such bidder.

(7) On completion of the bid process i.e. fall of the hammer, the Chairman may provisionally accept or reject the highest bid offered or received during the auction proceedings and shall send his recommendations to the Director. The highest bidder shall have to deposit 50% of the bid amount after completion of the auction process:

Provided that in case the auction proceedings are not conducted under the Chairmanship of Deputy Commissioner, the recommendations as required under clause (6) above shall be made with the approval of the Dy. Commissioner concerned.

(8) No highest bid shall be regarded as accepted unless approved by the Director in case the highest bid is upto Rs.150.00 lacs and by the Government in case the highest bid is above Rs.150.00 lacs.

(9) Once a bid is provisionally accepted, Director shall issue Letter of Intent (LoI) to the concerned bidder to complete the formalities as required for the grant of Mining Lease or Quarry License under these rules within a period of six months, including deposition of remaining bid amount. The concerned bidder shall not extract or allow any extraction till such mining lease or quarry license is granted.

(10) The bid amount offered by the successful bidder shall be considered as guarantee amount for grant of such Mineral Concession.

(11) No person against whom any dues of the Department are outstanding shall be considered for acceptance of a bid under this rule:

Provided that where any injunction order has been issued by a court of law or other

competent authority staying the recovery of such dues, the non-payment thereof shall not be treated as disqualification for the purpose of this rule.

(12) The earnest money deposited by participants, save in the cases where the earnest money has been ordered to be forfeited by the Chairman on the ground of any misconduct during the auction proceedings, shall be refunded immediately upon completion of the auction proceedings;

(13) The complete process shall be video graphed and kept in safe custody for at least three years.

**Chapter - VII**  
**Grant of Short Term Permit or Disposal Permit**

**56. Restrictions on the grant of Short term Permit or Disposal Permit.-** (1) Short Term Permit or disposal permit shall be granted for –

- (i) disposal of minor minerals encountered in the process of construction of tunnels, canals, roads, bridges, buildings etc;
- (ii) disposal of minor minerals excavated during the process of construction, maintenance and operation of the tunnels, canals, roads, drainage system by Government Departments;
- (iii) Government works of emergent nature for public interest;
- (iv) extraction of brick earth by the brick kiln owners possessing a valid license under the J&K Brick Kiln (Regulation) Act, 2010.
- (v) an area less than one hectares and not covered under any other mineral concession granted under these rules for the excavation of specified quantity of minor minerals for a specified period on advance payment of royalty and guarantee amount. However, disposal permit may be given on an area exceeding one hectare.

(2) The following shall be the authorities for grant of short term or disposal permit under these rules.-

- (i) Officer Incharge of the District concerned for minor minerals upto 5000 tonnes;
- (ii) Joint Director/Dy. Director/Mining Engineer of the Department for minor minerals above 5,000 upto 50,000 tonnes; and
- (iii) Director for minor minerals above 50,000 tonnes .

(3) Short Term Permit or Disposal Permit may be granted for a specified period not exceeding three months at one time for a specified quantity only.

**57. Application for short term permit or disposal permit.-** (1) Application for short term permit or disposal permit shall be made to Officer Incharge in the **Form STP1** and shall be accompanied by a fee of Rs.2,000/-(rupees two thousand).

(2) Every application shall be accompanied by the description of the land giving location of the area from where excavation of mineral shall be made and shall be accompanied by the consent of owner of the land in case of proprietary land, consent of the Department concerned in case of Departmental land and by the consent of Revenue Department in case of State land or any other Officer of the Department duly authorized by the said Department.

(3) Copy of PAN Card or Adhaar Card.

**58. Grant of Short term permit or disposal permit.-** Short term permits or disposal permits shall be granted on first come first service basis. Such permits shall be issued in Form STP2:

Provided that permits under this rules shall be granted only in cases where the Director is satisfied that such areas are required to be operated for short periods under special circumstances and with adequate environmental safeguards, precautions and applicable statutory clearances from the concerned agencies.

**59. Refusal to grant of short term permit/disposal permits.-** The authority competent to grant permit under these rules may refuse the grant of short term permit/disposal permit on the reasons to be recorded in writing.

**60. Conditions of Short term permits/disposal permits.- (1)** A person in whose favour short term permit or disposal permit is granted under these rules shall:

- (i) have to operate the specified area by formation of safety benches for safe/scientific mining, the width of the benches shall not be less than its height and the height of any bench shall not be more than one meter;
- (ii) take all precautions for the protection of environment and control of pollution;
- (iii) not transfer such permit;
- (iv) be bound to record the extracted material at the nearest Mineral Check Post;
- (v) surrender such permit after the quantity specified therein is dispatched, to the Department within a week after the last consignment of dispatch along with the particulars by giving the details of the name of the consignee, the date and dispatch etc;
- (vi) have to make the transportation of mineral removed from the area under a duly authenticated challan in **Form A**;
- (vii) allow the executive staff and the officers of the Department of Geology & Mining to inspect, check and measure the minor minerals at all stages including its transportation;
- (viii) be responsible for any third party claim/interference and department shall not be responsible for such claims/interference within mineral concession area; and
- (ix) have to indemnify and always keep indemnified department of all injuries/accidents/claims of third party within area of mineral concession.

(2) Failure to comply with any of the above conditions shall be a ground for withdrawal of the permit or cancellation of the same.

(3) The department shall have the right to claim additional royalty dues on the scrutiny of the sale documents and the test checks, provided the excess quantity is not beyond 10% of the quantity mentioned in the permit. In case the excess quantity is beyond 10% permit holder shall be liable to pay back to the department the excess quantity excavated/ used as assessed by the Officer Incharge of the District concerned.

(4) Guarantee amount equal to double the amount of royalty shall also be paid by the short term quarry permit holder in advance.



## CHAPTER VIII

### STOCKING AND TRADING OF MINERALS AND GRANT OF LICENCE THEREOF

**61. Restrictions for stocking and trading of minerals.-** No person other than a mineral concessionaire shall stock, sell or offer for sale any mineral/mineral product in raw or processed form for commercial purpose or trade without holding a license for the said purpose.

**62. Application for grant and renewal of mineral dealer license.-**  
(1) An application for the grant, or renewal, of a license for storage and sale of minerals in any form outside a mineral concession area shall be made to the Director through the officer-incharge of the District concerned in form MD1.

(2) Every application made under sub-rule(1) shall be accompanied by –

- (i) a demand draft or treasury challan for Rs 1000/= (Rupees one thousand) as application fee remitted to the credit of the Department;
- (ii) location map showing the exact location of the stock yard or otherwise, the survey number and other details of the area proposed to be used as stockyard where the applicant intends to store and conduct the sale of the minerals or its products; and
- (iii) proof of ownership or lease agreement and possession of the property of land proposed to be used as stockyard by the applicant.

(3) The application duly completed shall be submitted by the applicant in person. It shall be checked and processed or returned for completion if found deficient along with the deficiency report. The Officer Incharge of the District concerned may require the applicant by notice to make good the deficiencies within thirty days from the date of issue of such notice.

(4) An acknowledgment or the receipt of application for grant or renewal of license made under sub rule(1) shall be issued in form MD2 on the same day where application is delivered in person and its receipt shall be acknowledged within a period of seven days where such application is received through registered post/any other mode.

(5) The application for grant or renewal of a license shall be entered in a register in form MD3 by the Officer Incharge of the District concerned.

(6) Application for renewal of license shall be submitted in the office of the Officer Incharge concerned at least ninety days before the date on which the license granted earlier is due to expire:

Provided that the licensing authority may condone the delay in submission of an application for renewal of license for a maximum period up to 30 days if the applicant is able to explain such delay to the satisfaction of the licensing authority.

(7) The Officer Incharge concerned shall forward the application to the Director after verifying the contents of the application and inspection of the site proposed for the stockyard or otherwise along with his comments or recommendations for grant or renewal of the license or refusal of the same within a period of fifteen days of the receipt of application complete in all respects.

**63. Disposal of mineral dealer license applications.-** (1) The application for grant or renewal of a license shall be disposed by the licensing authority within ninety days from the date of receipt of application complete in all respects.

(2) In granting or refusing a license or its renewal under these rules the licensing authority, shall take into consideration the following:-

- (i) the location of the area;
- (ii) the number of license holders already operating in the vicinity of the area;
- (iii) availability of the mineral to be stocked and sold;
- (iv) general demand or market for the mineral; and
- (v) any other matter as may be considered necessary from time to time

(3) The Director may, after making such enquires as he may deem necessary or appropriate issue Letter of Intent (LoI) for grant or renew of such license or refuse to grant or renew the same:

Provided that the licensing authority shall not refuse to grant or renew license for the whole or part of the area applied for without giving an opportunity of representation to the applicant. He shall record the reasons for such refusal and communicate the same to the applicant.

(4) Upon issue of the Letter of Intent (LoI) for grant/renewal of a license the applicant shall have to deposit the license fee as per Schedule-III of these rules within a period of 30 days and on deposit of the prescribed fees, the licensing authority shall issue or renew the said license in Form MD4.

(5) Non submission of the requisite details in the application or non compliance with the directions to make good the deficiencies within the prescribed time would be enough reason for the Licensing authority to treat the application as non- responsive and reject the same.

(6) The Licensing authority may of its own discretion refuse to grant or renew a license to such a person(s) who is/are convicted for any offence, under the Act or the rules made thereunder.

**64. Period of mineral dealer licence.-** Licence for storage and sale of minerals shall be valid for a period of two years:

Provided that such licence may be renewed for a further period of three years on an application submitted by the licensee.

**65. Fee for mineral dealer licence.-** The fee for grant or renewal of a mineral dealer licence shall be Rs. 5,000/- for two years and Rs. 10,000/- for five years.

**66. Maintenance of records of mineral dealer licenses.-** The office of Director shall maintain a district-wise register containing the details of all licenses granted or renewed in the state in Form MD5, Similarly the officer incharge of the district concerned shall also maintain an identical register containing the details of all licenses granted or renewed within the district concerned in Form MD5.

**67. Conditions of mineral dealer licence.-** (1) Every licensee shall display the particulars of the license granted to him at the place of his business in the form and manner as may be directed by the licensing authority.

(2) A licensee shall maintain,-

- (i) complete record updated on a real time basis of all purchases and sales affected by him of each mineral containing the particulars of the source and quantity of mineral purchased or procured and the persons to whom sold in Form MD6;
- (ii) a stock register in Form MD7; and
- (iii) such other records, if any, as the licensing authority or the officer authorized by him may specify.

(3) The records referred to in sub-rule (2) shall be open to inspection by the licensing authority or the officer authorized by him in this behalf as and when required.

(4) The mineral dealer shall file a return in Form MD8 by the 10th day of the following month to the officer in charge of the district concerned and the Director, giving details and record of all the purchases and sale of the minerals and processed mineral effected by him during the previous month.

(5) Every dealer, who possesses any mineral in any form as stock-in-trade or has sold any mineral, shall, if so required, produce sufficient proof to the Director or to an officer authorized by him in this behalf, to the effect that the mineral has been purchased from a legal source or lease/licence holder. In case the dealer fails to produce sufficient proof to the satisfaction of the Director or the officer authorized by him, the Director or such authorized officer may take action against the dealer under these rules.

(6) The Director or the officer authorized by him in this behalf shall have right to enter upon any premises, with or without any notice, where minerals are mined, stocked or processed, to inspect, check and verify the stocks and records:

Provided that wherever an authorized officer carries out any such inspection he shall make an entry of his visit or inspection in the register maintained by the mineral concession holder or the licensee, as the case may be, and submit a report to that effect to the Director within a period of 07 days. The Director shall cause a copy of such inspection report to be sent to the concerned concession holder or licensee, as the case may be.

(7) Every licensee granted a license under these rules shall extend full cooperation to the Director or an officer authorized by him in this behalf for checking of accounts and verification of stock of minerals in raw or processed form, as the case may be, and shall furnish full and correctly any or all information in his possession, as may be required for the purpose of checking under the provisions of the Act and the rules framed there-under.

(8) The licensee shall have to make the transportation of mineral from the stock yard under a proper challans.

**68. Breaches and default by mineral dealer.-** (1) A mineral dealer shall be held to be committing a default or breach of the conditions of license in the following events, namely:-

(i) Default –

- (a) failure to display the details of licence on a sign board;
- (b) failure to file the monthly return of stocks; and
- (c) failure to maintain the up-to-date registers

(ii) Breach –

- (a) accepting minerals in raw or processed form from unauthorized and unexplained sources;

- (b) storing and stocking minerals that do not tally with the entries in opening and closing balance of stock register;
- (c) permitting the sale of mineral, in raw or processed form without issuing a valid challan;
- (d) loading of mineral in a carrier without a mineral transport permit;
- (e) operating the stockyard without a valid license; and
- (f) repeatedly found committing defaults.

(2) Where a licensee is found to be committing a default, he shall be liable to remedy or rectify such default within a period of 15 days in the first instance. In case of a second default, he shall be liable to rectify the default and shall also be liable to a fine which may extend to Rs. 10,000/-. A third time default or the continuation of the first or second default inspite of opportunities given to rectify-the same, would amount to a breach and dealt accordingly.

(3) Where a licensee is found to be in breach of the conditions of licence, the licensing authority may take any or all the following actions:-

- (i) suspension of the license with stoppage of receipt or purchase or sale of any mineral in raw or processed form in or from the stockyard. The dealer shall be holding the inventory of stocks, duly accessed at the time of suspension of license till such time the suspension order is revoked. The period of suspension, may continue upto a period of three months or till such time the breach is rectified, whichever is earlier;
- (ii) temporary seizure of the stocks till such time the stocks are reconciled with the records and established to have been accepted from legal sources;
- (iii) forfeiture of the stocks and their disposal as per provisions of these rules and termination of the dealer license; and
- (iv) cancellation of licence with provision for a ban of 5 years to grant any fresh license to the individual, firm or company

(4) An officer authorized by the licensing authority shall be competent to take action in matters where the licensee has committed default or breach.

(5) Where the officer-in-charge of the District concerned is of the view that license has committed breach, he shall immediately report the matter to the Director along with such supporting material as may be required.

(6) The Director, either on his own motion or on the report of a subordinate officer or on the complaint of any person, shall be competent to take action in the breach cases, in cases where the Director is satisfied that immediate interim action is required to stop any eventuality of the continuity of any breach, he may pass such interim orders as considered appropriate. A show cause notice would be issued to the licensee in order to enable him to present his defense and an opportunity of personal hearing granted, if so requested, before passing a final order.

(7) Whenever any person is found storing any mineral or its products in contravention of the provisions of these rules, the authority under these rules may seize the mineral or its products together with any carrier used in committing such offence and shall be liable for punishment under these rules.

(8) Any authority seizing illegally extracted, transported or stored mineral or its products, tools, equipments and carrier under these rules shall give a receipt of the same to the person from whose possession such things are so seized and shall have the authority to prefer complaints in courts having jurisdiction to try such offence.

(9) All properties seized under these rules shall be liable to be confiscated by an order of the court trying the offence, if the amount of fine and other sum imposed are not paid within a period of one month from the date such order is issued.

## Chapter – IX

### **Establishment of mineral check posts, storage and transportation of minerals**

**69. Establishment of check posts and barriers.-** (1) If the Government consider it necessary to do so, with a view to prevent illegal mining, transportation and storage of minerals at any place or places within the State, it may direct for setting up of check posts or erection of a barrier or both at such place or places as it deem fit, by an order in writing.

(2) The Director, or any other officer authorized by the Government in this behalf may check any carrier carrying the mineral at any place and the owner or the person in charge of the vehicle shall furnish the prescribed form and other particulars as demanded by the officer.

**70. Inspection of minerals in transit and its weighment.-** (1) Every owner or person in-charge of a vehicle shall carry with him a valid challan in triplicate with date and time of dispatch containing necessary particulars in respect of the mineral carried and shall produce the same before any in-charge of a check post or barrier or other officer empowered in this behalf.

(2) All vehicles transporting mineral shall stop at the check post/barrier installed by the department and shall present the authenticated challans in triplicate to in-charge check post/barrier.

(3) The in-charge of every check post or the barrier shall after verification of challans put his signatures with date and time and retain one copy of the challan and record the details of the challan in the register maintained at the check post in **Form B**. Duly authenticated challans in **Form A** shall only be retained at the 1<sup>st</sup> check post falling on the route of transit.

(4) If the in-charge of the check post or any other officer mentioned in sub-rule (2) above has a reason to believe that royalty has been evaded in respect of any mineral, such officer/official may require the owner or person in-charge of the carrier to pay an amount equal to 10 times the amount of royalty payable on the mineral in accordance with **Schedule-I**.

(5) Where on weighment or by measurement it is found that the entire quantity of mineral is not covered by the challans, the amount of royalty on such difference, shall be recovered by the in-charge of the check post alongwith cost of the mineral on spot.

(6) The in-charge of the check post or the barrier or the officer empowered shall have the power to seize and confiscate any mineral which is under transit by a carrier and dispatch of which is not covered by a valid challan, if the owner or person in-charge of the carrier refuses to make payment as required:-

- (i) the in-charge of the check post or the barrier or any officer empowered in this behalf shall give a receipt of such mineral seized by him to the person from whose possession or control it is seized; and
- (ii) the in-charge of the check post or any officer empowered may direct the person in-charge of the carrier to carry the mineral to the nearest police station or check post or barrier of the department:

Provided that if the person in-charge of the carrier refuses to carry the carrier to the nearest police station or check post/barrier of the Department, in-charge of the police station or check post or the barrier may seize the carrier and take the same in possession.

(7) Whenever an order of confiscation in respect of mineral seized is made by an officer empowered by the Director in this behalf such officer/official shall give an option to the owner or in-charge of the vehicle to pay an amount equal to 10 times of royalty in view of such confiscation. In case of failure of the owner or person in-charge of the carrier to exercise such option the confiscated material may be disposed off by the confiscating officer/official or any other officer authorized in this behalf by public auction or direct sale at the rate prevalent in the market:

Provided that no such mineral confiscated shall be disposed off by the confiscating officer/official or any other officer authorized in this behalf before 48 hours of such confiscation and till that time option shall remain with the owner or person in-charge of the carrier to carry the mineral after paying the cost of the mineral.

**71. Restrictions on transportation of minerals.-** (1) No person shall transport or cause to be transported any mineral, in whatever form, from one place to another by any carrier under these rules without a proper challan in **Form A** duly authenticated by concerned District Mineral Officer:

Provided that no mineral concession holder, as the case may be, shall transport or cause to be transported any mineral from the river/nallah bed like sand, bajri and boulder etc. to any other site without obtaining a specific NoC in this regard from the concerned Executive Engineer Irrigation and/or Flood Control.

(2) The mineral concession holder either shall prepare in his name machine numbered quadruplicate challan, at his expense as per **Form A** or shall apply for and shall be issued the challan books containing such duly numbered challans by the officer-in-charge of the district concerned. The challan book before being put to use shall be got authenticated by the officer in-charge of the District Mineral Office, concerned. The mineral concession holder, as the case may be, shall maintain a register of all receipts and dispatches along with the challans issued by him and furnish such details in monthly production and dispatch reports and shall maintain a complete account of challan books utilized by him.

(3) A mineral concession holder shall give the proper challans issued to him to every purchaser of the mineral for lawful dispatch and disposal of the mineral, in whatever form, following a proper seriatim, from the concession area.



(4) The officer-in-charge of the district concerned shall not issue any further booklets to the mineral concession holder as the case may be till such time the concession holder/licensee submits a complete account of the booklets or challans issued to him on the previous occasion and used by him, keeping a margin of not more than such number of challans as may be required for a period not more than seven days for the intervening period.

(5) All relevant details such as the source of dispatch, the registration number of the carrier, the weight (in MT) or quantity of mineral dispatched from the source, the name of the transporter and the destination of consignment shall necessarily be filled-up in a legible manner in the proper challan, which shall be liable to be presented at every mineral check post coming on the way of transit or on demand by an authorized officer.

(6) Subject to the availability of infrastructure in the district offices, all above information shall be computerized and put up on the web-site on weekly basis failing which disciplinary action shall be initiated against the in-charge officer.

**72. Unlawful transportation and excavation etc of minerals.-** Wherever a carrier/machine is found to be transporting/excavating any mineral in whatever form, without a proper challan as required under these rules, such carrier/machine shall be liable to be dealt as under:-

- (i) Where a carrier is found to be indulging in violation of the rules for the first time, the said mineral would be liable to be seized along with the carrier, which may be released only upon realization of the payment of price of the mineral and the applicable royalty for the mineral being transported and a fine not less than Rs. 10,000/-.
- (ii) Wherever a carrier is found to be indulging in such violation for the second time, the said mineral along with carrier shall be seized and released after three days upon realization of price of mineral and the applicable royalty and a fine which shall not be less than Rs. 20,000/-
- (iii) Wherever a carrier is found to be indulging in such violation for the third time or more, the in-charge officer shall proceed as per the section 21 of the Act.

**CHAPTER-X**  
**MINES AND MINERALS DEVELOPMENT RESTORATION AND**  
**REHABILITATION FUND**

**73. Mines and Minerals Development Fund.-** A Fund known as the Mines and Minerals Development, Restoration and Rehabilitation Fund (MMDRRF) shall be established under public account in the State under the administrative control of the Department to which rehabilitation charges payable under Section 15 A of the Act shall be credited in order to meet the following objectives:-

- (i) funding of the restoration or rehabilitation works in the sites affected by mining operations;
- (ii) provision of common facilities for the benefit of community in and around areas where mining activities are undertaken;
- (iii) development of infrastructure facilities for orderly growth of the mining operations and allied activities;
- (iv) funding of the studies commissioned or activities related to the mining sector e.g survey, exploration and prospecting of minerals, procurement of equipment and machinery required to support such activities;
- (v) education, awareness and training of the mineral concession holders and the staff of the Department through field visits/excursions and exposure to the best mining practices;
- (vi) funding of expenditure incurred on implementation of any scheme of incentives that the Government may frame for recognition and awards for scientific mining undertaken with highest regard to mineral conservation, rehabilitation measures along with environmental safeguards and other measures;
- (vii) any other objectives which the Government may consider expedient to support in the overall interest of the mining sector.

**74. Contribution to Mines and Minerals Development Fund.-** (1) An amount equal to ten percent of the dead rent or royalty paid to the State shall be charged from the mineral concession holder in the nature of other charges for restoration and rehabilitation works and credited to the fund in addition to the amount payable to the Government on account of such dead rent or royalty, as the case may be.

(2) The said contribution shall be remitted by the mineral concession holder in installments along with the installments of dead rent or royalty as the case may be in addition to the dead rent/royalty, such amount shall be reconciled at the closure of financial year and any differential amount due shall be adjusted or paid on reconciliation:

(3) The Government shall also set apart and contribute five percent of the amount received by it on account of the dead rent or royalty as the case may be in a financial year to the fund in the manner decided in consultation with the Finance Department of the State:

(4) The Department shall maintain complete account of receipts to the fund and the expenditure made therefrom and shall invest the progressive accumulated corpus in a manner so as to earn secure returns therefrom. Proper mechanism shall be worked out to meet the expenditure out of proposed Mines and Minerals Development Restoration and Rehabilitation Fund with a very clear and visible participation of the local residents. A separate detailed process shall be devised in this regard with the concurrence of the Finance Department. However, the expenditure will be made on the basis of Pardhan Mantri Khanij Kshetra Kalyan Yogna (PMKKKY) issued by Ministry of Coal, Government of India to be implemented by District Mineral Foundations.

**75. Utilization of Mines and Minerals Development Fund.-** (1) The amount available in the fund shall be utilized strictly for fulfillment of the objectives for which the fund is set up and on the terms and conditions as may be stipulated by the committee constituted for the said purpose under these rules.

(2) The expenditure on restoration and rehabilitation of the mining sites shall remain the first charge on the fund.

(3) Every mineral concession holder before undertaking the restoration and rehabilitation works as a part of his progressive mine closure plan shall get his estimates of expenditure on such works duly approved from the Director or an officer authorized by the Government in this regard and submit the utilization certificate duly certified by a registered chartered accountant. This work shall be executed under the supervision of the Forest Department. The mineral concession holder shall be entitled to get the expended amount re-imbursed being limited to the amount contributed by him and any expenditure incurred over and above this limit shall have to be borne by the mineral concession holder of his own.

**Explanation:** Notwithstanding the expenditure incurred by a mineral concession holder on the measures taken for the progressive mine closure plan the occasion for undertaking the complete restoration and rehabilitation works in respect of any mining area arises only when a mine reaches the closure stage or so declared by the Department. It is likely that the mining operations would have been undertaken by multiple concession holders before reaching the stage of closure of a mine, making it imperative that the comprehensive measures for restoration and rehabilitation of a mining site are taken up only upon closure of such mine. The responsibility for execution of such plan shall rest with the mineral concession holder operating such area at the time of its closure. Since the contribution to the fund is also made by concession holders who have operated the area during the intervening period, the financial burden of restoration and rehabilitation measures shall not be borne by the last concession holder alone.

(4) A mineral concession holder operating the mine at the time of its final mine closure plan shall prepare and submit the estimates for implementation of the final restoration and rehabilitation plan prepared by RQP to the Director for approval of the estimates. The Director would obtain necessary domain assistance from the Forest, I&FC Departments before approval.

(5) The Director shall approve such estimates with or without any modifications as suggested by the Forest Department and reimburse the expenditure actually incurred on the site by the in phased manner out of the fund. The amount so reimbursed shall not exceed the total amount received from the mineral concession holders in respect of that site less the expenditure already incurred earlier.

(6) The Director may require the mineral concession holder to engage an independent agency for implementation of the restoration and rehabilitation works and evolve a system of monitoring the deliverables through an independent agency.

**76. Constitution of Committee for approval to expenditure.-** (1) Any or all proposals for expenditure from the fund shall be approved by a committee of officers constituted by the Government.

(2) The mode and method of collection, remittance, and utilization of other charges shall be notified separately by the Government.

## CHAPTER –XI

### **Assessment of Royalty**

**77. Assessment of royalty.-** (1) Assessment and determination of royalty due from an assessee for an assessment year or as required shall be made by such assessing authority as may be designated by the Government from time to time after the returns in respect of that year have been filed by the assessee as required under terms and conditions of the deed or the statement of production, dispatches or consumption submitted by the person concerned or upon checking the stock and other records of the assessee:

Provided, that the assessing authority may make provisional assessment for a particular period during the assessment year after the receipt of statistical returns in respect of that period.

(2) For the purpose of assessment of royalty as mentioned in sub- rule (1), the assessing authority may fix a date and place at which the assessee shall produce such records as may be required by it (assessing authority) in respect of production, removal, consumption and stocks, bills of sales, labour attendance, payments and any other account books connected with these matters.

(3) For the purpose of sub-rule (2), the assessing authority may serve a Fifteen days notice upon the assessee requiring him to appear in person or by an agent duly authorized in writing on a date and at place specified in the notice and to produce or cause to be produced any evidence on which the assessee relies in support of the correctness of the returns or statements and records furnished by him or produce or cause to be produced such accounts or documents pertaining to the assessment year and the last five years preceding the assessment year as the assessing authority may require.

(4) On the day specified in the notice given under sub-rule (3) or on any other day thereafter which the assessing authority may fix, the assessing authority, after hearing and considering the evidence as may be produced by the assessee in this behalf and such other evidence and documents as the assessing authority may require, shall make an order in writing of assessment of royalty payable by the assessee.

**78. Assessment on the basis of best judgment in case of failure to submit monthly and annual returns or in case of likely evasion of royalty.-** If the assessee fails to furnish the details under these rules within the period prescribed and the assessing authority has reasons to believe that the assessee has evaded or avoided any royalty, the assessing authority may after giving assessee a reasonable opportunity of being heard not beyond thirty days notice and after making such inquiry, as considered necessary, assess the royalty for the period to the best of its judgment. The amount so assessed shall be payable by the assessee forthwith and in case of default in payment, the amount so assessed shall be recovered as arrears of land revenue under the Jammu and Kashmir Land Revenue Act and rules made thereunder:

Provided, that no such royalty assessment shall be made on best judgment basis without obtaining prior approval of the next higher authority.

**79. Assessment of royalty incorrectly assessed.-** (1) If for any reason, the whole or any part of dispatches of mineral from the mineral concession area or consumption of mineral within the area, escaped royalty or was assessed at a low rate in any year, the assessing authority may serve a notice upon the assessee in Form C and may proceed to assess or re-assess the correct amount of royalty:

Provided that nothing in this sub-rule shall be deemed to prevent the assessing authority from making an assessment to the best of its judgment.

(2) No notice under sub-rule (1) shall be issued in respect of dispatch and consumption of mineral for any year after expiry of five years from the date of relevant assessment:

Provided that this rule shall not apply for any assessment or re-assessment made in consequence of or to give effect to any finding or direction contained in an order in appeal or revision or in an order of any competent court.

**Chapter - XII**  
**Illegal or Un-authorized Mining**

**80. Illegal or Un-authorized Mining.-** Any person undertaking any mining operations without a valid mineral concession granted under the Act and the rules framed thereunder in any area shall be deemed to be indulging in illegal or un-authorized mining and shall be dealt in accordance with the provisions contained in this Chapter.

**81. Penalties.- (1)** Any act of illegal or un-authorized mining shall be liable to the following: -

- (i) for a first time violation, the said mineral shall be liable to be seized alongwith the impounding of all such tools, equipments, vehicles or any other things used for such un-authorized operation, which may be released only after recovery of price of mineral along with its royalty and a fine not less than Rupees ten thousand.
- (ii) for a second time violation, the said mineral shall be liable to be seized along with the impounding of all such tools, equipments, vehicles or any other things used for such un-authorized operation for a minimum period of seven days which may be released only after recovery of price of mineral along with its royalty and a fine not less than Rupees twenty thousand.
- (iii) Wherever a person is found to be indulging in such offence for the third time or more, the officer concerned shall lodge an FIR and handover all such tools, equipments, vehicles or any other things used for such un-authorized operation to the police. Any such offence shall entail:-
  - (a) confiscation of all such tools, equipments, vehicles or any other things used for such un-authorized operation for a minimum period of thirty days or more; and
  - (b) pecuniary penalty and punishment for the offence as provided under section 21, section 23A & section 23B of the Act.

**82. Offences by Companies.- (1)** If the person committing an offence under these rules is a Company registered under the companies Act, every person, who at the time when the offence was committed was in-charge and was responsible to the company for the conduct of the business of the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-rule shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he exercised due diligence to prevent the commission of such offence.

(2) Where an offence under these rules has been committed with the consent or connivance of any Director, Manager, Secretary or other authorized representative of the company, such Director, Manager, Secretary or other authorized representative shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

**83. Cognizance of any offence:** No court shall take cognizance of any offence punishable under these rules except upon a complaint in writing made by the Director or any other officer authorized by the Government in this behalf not below the rank of Assistant Mineral Officer within three months of the date on which said offence is alleged to have been committed.



**CHAPTER -XIII**  
**Delegation of Powers, Appeal and Revision**

**84. Delegation of powers: (1)** The Government may, by notification in the Government Gazette direct that any or all the powers exercisable by it under these rules may in relation to such matters and subject to such conditions, if any, as may be specified in the notification be exercisable also by such officer or authority subordinate to the Government.

(2) Notwithstanding anything contained contrary in these rules, the following powers are delegated to the officers mentioned herein below.-

- (i) Officer incharge District Mineral Officer shall exercise powers within his jurisdiction under sub-sections (4) and (5) of section 21 of the Act; and
- (ii) Assistant Mining Engineer/ Mineral Officer/ Geologist Grade-11&1/ Mining Engineer/ Dy. Director/ Joint Director shall exercise powers within the areas of their jurisdiction under sections 22 , 23A and 23B of the Act in addition to powers under sub-section (4) and (5) of section 21 of the Act.

**85. Appeal.- (1)** Any person aggrieved by an order passed by any officer in-charge sub-ordinate to Director shall have the right of appeal to the Director.

(2) Any person aggrieved by an order passed in appeal under sub-rule (1) or any other order passed by the Director under these rules shall have the right of appeal to the Government.

(3) The order passed by the Government in appeal shall be final.

**86. Form of Appeal and Fees.- (1)** An appeal under rule 85 shall be presented in the form of memorandum of appeal in duplicate numbered in paragraphs stating concisely and precisely the grounds of appeal and relief demanded.

(2) The memorandum of appeal shall be accompanied with a fee Rs. 2,000/- deposited in the Government treasury under the relevant account head.

**87. Limitation.-** An appeal under rule 85 shall be filed within three months of the date of communication of the order appealed against:

Provided that nothing shall prevent the appellate authority to entertain appeal after a period of three months except if such authority is satisfied that the appellant was prevented by a sufficient cause for filing the appeal within the stipulated period.

**88. Procedure of Appeal.- (1)** Upon receipt of memorandum of appeal satisfying requirement of rules 85 and 86, the appellate authority shall fix a date for hearing, and if it finds fit, may call for the relevant records and other information from the officer whose order is the subject of appeal.

(2) The appellate authority may confirm/modify or set aside the order under appeal, after giving the appellant an opportunity of being heard and considering any comments that might be offered by the Officer whose order is under appeal.

**89. Revision.- (1)** The Government in respect of any order, whether in appeal or otherwise passed under these rules by the Director, may on an application by an

aggrieved party made within three months of communication of such order in this behalf or of its own motion call for and examine the connected records for the purpose of satisfying itself as to the correctness, legality or propriety of the order and may confirm, modify or rescind such order:

Provided that an application for revision may be admitted by the Government after the said period of three months, but not beyond six months, if the Government is satisfied that the applicant had sufficient cause for not filing the revision application in time.

(2) Every application for revision shall be made in Form D in duplicate and shall be accompanied by a fee of Rs.2,000/- deposited in the Government treasury under the relevant account head.

## CHAPTER-XIV

### **Miscellaneous**

**90. Mining operations to be under Mineral Concession.-** No mineral concession shall be granted otherwise than in accordance with the provisions of these rules and if granted shall be deemed to be null and void.

**91. Reservation of area for prospecting or mining operations by the Department.-** Where the Department proposes to undertake exploration/exploitation of any mineral, Director shall reserve the area for prospecting or mining operations by issuance of a notice, in at least three daily newspapers having maximum circulation in the State. The notice shall give details of area and the period for which such operations are proposed to be undertaken:

Provided that where an area is required for exploitation of minor minerals by centre or state government agencies for developmental projects of national importance such as authorities of National Highways on requisition being received from such agencies the Director may reserve an area for such purpose which shall not exceed five hectares.

**92. Status of the grant on the death of applicant for Mineral Concession.-**  
(1) Where an applicant for grant or renewal of any mineral concession dies before the order of grant/renewal as the case may be is passed, the application for the grant or renewal of mineral concession shall be deemed to have been made by his legal heir/representative.

(2) In the case of an applicant in respect of whom an order granting or renewing a mineral concession is passed, but dies before execution of the deed, the order shall be deemed to have been passed in the name of the legal heir/representative of the deceased.

**93. Register to be open for inspection.-** All registers maintained by the Department under these Rules shall be open for inspection by any person who holds or intends to acquire a mineral concession on payment of a fee of Rs.100/- for each inspection.

**94. System of working and river bed mining.-** (1) System of working in minor minerals shall be performed as per the Mines Act, 1952(35 of 1952) and Metalliferous Mines Regulations, 1961.

(2) In case of river bed mining.-

- (i) specific river stretches shall be identified and mineral concessions shall be granted stretch wise, so that the requisite safeguard measures are duly implemented and are effectively monitored by the respective Regulatory Authorities.
- (ii) the depth of mining shall be restricted to three mts. or water level, whichever is lesser.

- (iii) for carrying out Mining in proximity to any bridge and/or embankment, appropriate safety zone shall be worked out on case to case basis, taking into account the structural parameters, locational aspects, flow rate etc and no mining shall be carried in the safety zone so worked out.

**95. Rate of Interest.-** Simple interest at the rate of 15% shall be charged on all dues in respect of dead rent, royalty, and royalty collection after one month from the date it becomes due.

**96. Dues may be recovered as arrears of land revenue.-** Notwithstanding anything contained in these rules, Director or an officer authorized by the Government may recover any dues in respect of dead rent, royalty, fee, royalty collection contract amount, cost of mineral, penalties and any other dues payable under these rules together with interest in the same manner as if it were an arrears of land revenue under the law in force relating to such recovery.

**97. Power to summon.-** (1) The assessing authority, for the observance of these rules and for reasons to be recorded, may summon any of the parties using and/or dealing with the mineral in the State and may demand necessary information and sources from where the mineral has been procured and the assessing authority may also depute any official by an order in writing to collect such information and thereafter assess the royalty or the cost of mineral recoverable as the case may be.

(2) Any person who is engaged in trading of minerals shall maintain a correct account of mineral purchased stocked and sold by him and these records shall be produced for inspection if required by assessing authority or a person authorized by assessing authority in this behalf:

Provided that if such trader fails to produce record for mineral purchased by him, the assessing authority may enter into any place where the mineral is stored and, measure or count it and assess cost of mineral which shall be recovered from the trader.

**98. Service of Notice.-** (1) Every notice under these rules required to be given to the mineral concessionary shall be given in writing in person or by registered post addressed to him at the address recorded in his application or such other address as the concessionary may from time to time intimate in writing to the concerned authorities having jurisdiction.

(2) The service of such notices on any adult male member of the family, his agent or any other person purporting to be his agent or any other person maintaining his books of account or issuing challans or filing monthly statistical returns shall be deemed to be proper and valid service upon the concessionary and shall not be questioned or challenged by him. An endorsement by postal employee that the concessionary or any of the aforesaid persons refused to take the delivery or non-availability of the person at the last known address may be deemed to be prima facie proof of service.

**99. Revision of Royalty, Dead Rent and fee etc.-** The Government may, by notification in the Government Gazette, amend Schedules appended to these rules so as to revise the rates of royalty/dead rent/fee payable under these rules with effect from such date as may be specified:

Provided that enhancement of rate of royalty, dead rent in respect of any minor mineral and fee payable under these rules shall not be enhanced more than once in three years.

**100. Role of Police.-** The authority empowered to take action under these rules may, if necessary, request in writing for the help of the local police and the police authorities shall render such assistance, as may be necessary to enable the officer to exercise the power/powers conferred on him under these rules to stop un-authorized mining and transportation of minerals.

**101. Investigation of offences.-** (1) Subject to such conditions as may be specified the Director may authorize any officer of the Department not below the rank of District Mineral Officer to investigate all or any of the offences punishable under these rules.

(2) Every Officer so authorized shall in the conduct of such investigations, exercise the judicial powers conferred by the Code of Criminal procedure upon an officer In-charge of a Police station for the investigation of a cognizable offence.

**102. Power to take evidence on oath.-** (1) The assessing authority or investigating officer and the appellate authority shall for the purpose of these rules have the same powers as are vested in a court under the Code of Civil Procedure when trying a suit in respect of the following matters, namely:-

- (i) enforcing the attendance of any person and examining him on oath or affirmation;
- (ii) compelling production of documents;
- (iii) issuing commission for examination of witnesses.

**103. Powers of entry, inspection of records and seizure of books of accounts of a Concessionary.-** (1) An assessing authority or any other officer authorized by Director in this behalf may for the purpose of these rules, require any concessionary to produce before him the accounts, registers and other documents and to furnish any other information relating to mining operations or business.

(2) All accounts, registers and other documents pertaining to the business of a concessionary, the minerals in his possession or in the possession of his agent or broker for the time being on his behalf and their office, godown, factory, vehicle or any other place where the business is done or accounts are kept shall be open for inspection and examination of any such authority or person at all reasonable time.

(3) If any such authority or person has reason to suspect that any concessionary is attempting to evade payment of royalty or other dues payable under these rules, he may, for the reasons to be recorded in writing, seize such accounts, registers or other documents of the concessionary as he may consider necessary and shall give its receipt.

The accounts, registers and documents so seized shall be retained by such officer only for their examination or for any inquiry or proceedings under these rules or for prosecution:

Provided that the accounts, registers and documents so seized shall not be retained by such officer beyond a period of three months from the date of seizure without the written order of the Director for reasons to be recorded in writing:

Provided further that before returning the accounts, registers and documents such officer may require that the concessionary shall give a written undertaking that the accounts, registers and documents, shall be presented whenever required by any competent authority for proceedings under these rules.

(4) For the purpose of sub-rule (2) and (3) any such authority or person shall have powers to enter and search at all reasonable times any office, godown, factory or vehicle or any other place of business or any building or place where such authority or person has reason to believe that the concessionary keeps or for the time being is keeping any minerals, accounts, registers or other documents pertaining to his business or mining operations and also to search the body of any other person found in such office, godown, factory, vehicle, building or place about whom any such authority or person has reason to suspect that he may have in his personal possession any such books of accounts, registers or documents.

(5) Such authority or person may, when it is not practicable to seize any books or accounts, registers, documents or mineral, serve upon the concessionary or the person who is in immediate possession or control thereof, an order that he shall not remove, part with or otherwise deal with them except with the previous permission of such authority or person who may take such steps in accordance with rules, as may be necessary for ensuring compliance of this sub-rule.

(6) The power conferred by sub-rules (4) and (5) shall include the power to break open any box or receptacle in which any accounts, registers or documents of concessionary may be contained or to break open the door of any premises where any such mineral, accounts, registers or documents may be kept or to place marks of identification on his books of accounts, registers or documents or to make or cause to be made extracts or copies thereof:

Provided that the power to break open, the door shall be exercised only after the concessionary or any other person in occupation of the premises is present therein and fails or refuses to open the door on being called upon to do so.

(7) Any such authority or person shall have power to seize any mineral, the removal or sale of which is liable to payment of royalty or cost and which are found in possession of a concessionary or in the possession of his agent or broker or of any other person for the time being on his behalf or in any office godown, factory, vehicle or any other place of business or building of the concessionary or of the agent, the broker or of any other person holding the said mineral on his behalf but not accounted for by the concessionary in his accounts, registers and other documents maintained in the course of his business or any mining operations:

Provided that list of minerals/documents seized under this sub-rule shall be prepared by such authority or person and signed by two respectable witnesses.

(8) An officer/authority as mentioned at sub-rule (1) above may after giving the concessionary an opportunity of being heard and holding such further inquiry, as he may consider fit, realize from him, for the possession or mineral not accounted for, the cost of mineral as ten times of royalty.

(9) Such Officer or authority may release the mineral or documents seized under these rules on payment of cost of mineral or on furnishing such security for payment thereof as he may consider necessary.

(10) Any such authority or person may require any person:-

- (i) who transports or holds in custody for delivery to or on behalf of any concessionary, any mineral to give any information likely to be in the possession in respect of such mineral or to permit inspection thereof as the case may be; and
- (ii) who maintains or has in his possession any accounts, books or documents relating to the business/mining operations, to produce such accounts, books or documents for inspection.

(11) The provisions of Code of Criminal procedure relating to searches shall apply, so far as may be, to the searches made under these rules.

**104. Rights of existing concession holders.-** A licence or lease granted prior to commencement of these rules and subsisting on the date of commencement of these rules shall remain valid till the expiry of the remaining period of such licence or lease and shall terminate after such expiry.

**105. Rights of pending applicants.-** The applications for grant of minor mineral concession which are pending on the date of commencement of these rules shall be dealt with as under:-

- (a) where the applicant has submitted an approved mining plan to the competent authority prior to the commencement of these rules, he shall be eligible for grant of lease or licence on production of Environment Clearance Certificate; and
- (b) where the applicant has not submitted an approved mining plan to the competent authority prior to commencement of these rules, his application shall be deemed to have been rejected.

**106. State and District Mineral Foundation.-** In every District of the State affected by mining related operations and at State level, the Government shall by notification establish a trust as a non-profit body to be called the District Mineral Foundation under the State Mineral Foundation. The composition, functioning, contribution of the concession holders and the manner in which the foundation work, shall be notified separately by the Government.

**107. Exemption.-** Notwithstanding anything contained in these rules, no rent, royalty or fee shall be charged for minor minerals extracted during:-

- (i) excavation of Canals and foundation of any other works of the State Irrigation Department and Public Works Departments:  
Provided that the Engineering Departments shall have to obtain requisite minor mineral concession under these rules before its transportation and consumption for the works/sites;
- (ii) execution of such Development Project of State/National importance as may be notified by Government provided that requisite minor mineral concession has been obtained by agency executing such project. However, for the extraction and consumption of minor minerals requisite concession has to be obtained as per these rules;
- (iii) extraction of minor mineral by an agriculturist from his/her private land bonafide purpose of agriculture; and
- (iv) search for and obtaining the samples of minerals on the surface by chipping of outcrops without involving any disturbance of the soil by way of pit, trench or otherwise.

**108. Repeal and Savings.-** The Jammu and Kashmir Minor Mineral Concession, Storage, Transportation of Minerals and Prevention of Illegal Mining Rules, 2016 and Jammu and Kashmir Prevention of Illegal Mining, Transportation and Storage of Minerals Rules, 2003 are hereby repealed.

(2) Anything done or any action taken under the provisions of the repealed rules shall be deemed to have been done or taken under the provisions of these rules.

Sd/-

(Shailendra Kumar) IAS

Commissioner Secretary to Government  
Industries & Commerce Department

Dated:-31-03-2016

No:- IND/Legal/27/2013

Copy to:-

1. Secretary, Ministry of Mines, Govt. of India, New Delhi.
2. All Administrative Secretaries, Government of J&K.
3. Divisional Commissioner, Jammu/Kashmir.
4. All Deputy Commissioners.
5. Director, Geology & Mining, J&K
6. Managing Director, JKML/JKCL
7. General Manager, Government Printing Press Jammu for publication in the Official Gazette.



**Schedule-I**  
Rates of royalty of Minor Minerals  
{see rule 38(1)(i)(ii),50(1)70}

S.No.	Name of Minor Minerals	Royalty rates as per MT(Rs.)
<b>1</b>	<b>Dimensional Stones</b>	
1.1	Limestone used for making dimensional stone like Devri Stone Hamam Slabs, Grave Stones and other domestic items.	45.00
1.2	Sand stone when used for dimensional stone	25.00
1.3	Baramulla Slabs(Phylitic)	25.00
<b>2.</b>	<b>DECORATIVE STONES</b>	
2.1	Marble, Granite, Slate & Basalt(dressed block) for sawing into slabs and tiles.	230.00
2.2	Granite, Marble, Slate, Basalt, Sand Stone, Limestone etc for manufacture of chips.	70.00
<b>3</b>	<b>ROCKS/MINERALS USED FOR BUILDING PURPOSES AS ROAD METAL, MASONARY STONE AND FOR BUILDING LIME</b>	
3.1	Limestone(specified by Central Government for the purpose) when used in Kiln for the manufacture of limes used at building material	40.00
<b>3.2</b>	<b>LIMESTONE USED AS MASONARY STONE AND ROAD METAL</b>	
3.2.1	Rubble	25.00
3.2.2	Phandai	35.00
<b>3.3</b>	<b>BASALT, QUARTZITE, GRANITES, SANDSTONE USED AS MASONARY STONE AND ROAD METAL</b>	
3.3.1	Rubble	25.00
3.3.2	Phandai	35.00
<b>4</b>	<b>NALLAH BOULDERS, BAJRI, SAND</b>	
4.1	Nallah Boulders	20.00
4.1.1	Crushing (crushed stones)	25.00
4.1.2	Masonry Stones	35.00
4.1.3	Nallah Muck	25.00
4.2	Nallah Bajri	35.00
4.3	Crushed Bajri	40.00
4.4	Screened Pebbles	40.00
4.4	Ordinary Sand	25.00
4.5	Screened Sand	30.00
<b>5</b>	<b>CLAYS</b>	
5.1	Clay other then used for Brick manufacture	20.00
5.2	Clay when used for manufacture of Brick	25.00

5.3	Bentonite and fuller earth	85.00
5.4	Ordinary earth	25.00
<b>6</b>	China Clay	70.00
6.1	Gypsum	90.00
6.2	Corundum	5% of the sale value.
7	All OTHER MINERAL NOT SPECIFIED	15% of pit mouth value.

**Schedule-II**  
**Rates of dead rent of Minor Minerals**  
*{see rule 38(1)(iv)}*

S. No.	Rate of Dead Rent	2 <sup>nd</sup> to 5 <sup>th</sup> year in Rs. Per hectare per Annum	6 <sup>th</sup> to 10 <sup>th</sup> year in Rs. Per hectare per Annum	Above 10 years in Rs. Per hectare per annum
<b>1</b>	Upto 5 hectares or part thereof	3,600/-	7,200/-	10,800/-
<b>2</b>	Above 5 hectares but not exceeding 10 hectares	5,000/-	10,000/-	15,800/-
<b>3</b>	Above 10 hectares	8,625/-	17,250/-	25,900/-

**Schedule III**  
*{see rule,63(4)}*

- 1) Rates of Guarantee amount for the Mineral Concessions granted other than by Competitive Bidding/Auction for the minerals not specified in 2,3 & 4.

Rates of Guarantee amount in rupees per Hectare per Annum		
For the 1 <sup>st</sup> year of Mineral Concession	From 2 <sup>nd</sup> Year to 3 <sup>rd</sup> Year	4 <sup>th</sup> Year onwards
20,000	50,000	1 lac

- 2) Two times the rates specified under 1 above in case Mineral Concessions is granted for Marble, Granite, Quartzite, Slate and other decorative stones.
- 3) Three times the rates specified under 1 above in case Mineral Concessions is granted for Gypsum and Ocher.
- 4) Ten times the rates specified under 1 above in case Mineral Concessions is granted for Corundum and other Gem Stones.

Government of Jammu & Kashmir  
Department of Geology & Mining

**FORM "A"**

See Rule {38(5),50(12),60(1)(v),70,71}  
of challan for dispatch of mineral and its products

**Challan** No. \_\_\_\_ (in **quadruplicate**) copy each for consigner, consignee, mineral check post, driver

1. Type of Mineral Concessions

Lease/license/permit

No/Date with validity of the concession \_\_\_\_\_

2. Name & Style of concessionary

3. Location of mineral concession area \_\_\_\_\_

4. Type of mineral granted on mineral concession \_\_\_\_\_

5. Quantity of mineral granted on mineral concessions \_\_\_\_\_ (in MT)

6. Quantity of mineral dispatched

7. Date of dispatch \_\_\_\_\_

8. Time of dispatch \_\_\_\_\_

9. Vehicle No. \_\_\_\_\_

10. Name & address of consignee/buyer \_\_\_\_\_

11. Name of Driver \_\_\_\_\_

space for authentication of Officer I/C District Mineral Office concerned with ruber stamp containing signature
---

Signature of Mineral Concessionary

For use at check post

1. Vehicle No \_\_\_\_\_ reported at check post on (Date) at (time) and the particulars of quantity & quality have been verified and entered in the register at Serial No \_\_\_\_\_.

2. The quantity was in excess in challan by \_\_\_\_\_ tonnes for which price of Mineral besides royalty amounting to Rs. \_\_\_\_\_ (in words) \_\_\_\_\_ has been charged under GR No \_\_\_\_\_ dated \_\_\_\_\_ issued to Driver/owner.

Seal and signature of  
Incharge Mineral Checkpost

Government of Jammu & Kashmir  
Department of Geology & Mining

**FORM "B"**

See Rule {70}

**Register to be maintained at mineral check post**

- 01.S.No
02. Date
03. Name of Mineral Concessionary
04. Name of Mineral
- 05.Quantity of Mineral
06. Form of Mineral(finished or raw)
- 07.Name and address of consignee
- 08.No & Date of Challan
- 09.Vehicle No.
- 10.Name of Driver
- 11.Time of Reporting at Check Post.
- 12.Amount of Cost+Royalty realized for excess mineral
  - (a) G.R.No.
  - (b) Date
13. Signatures of Incharge

Government of Jammu & Kashmir  
Department of Geology & Mining

To be served in person or  
by regd. post through  
registered post with A/D

**FORM "C"**

Notice of Assessment to Assessee  
See Rule {79}

From:-  
Department of Geology & Mining  
J&K Govt. Jammu/Srinagar.

To: (Assessee with  
Name & Address

No.

Dated:-

Subject:- Notice for re-assessment of royalty in respect of mineral concession granted for mineral near Village \_\_\_\_\_ Tehsil \_\_\_\_\_ District \_\_\_\_\_

Dear Sir,

Refer this office letter No. \_\_\_\_\_ dated \_\_\_\_\_ vide which the assessment of royalty for the assessment year \_\_\_\_\_ in respect of your mineral concession area mentioned above was made and conveyed . The same has been incorrectly assessed. You are therefore, asked to report in the office of undersigned at \_\_\_\_\_ along with records mentioned below within a period of 15 days from the receipt of this Notice.

In case you fail to be present yourself along with records, the assessment shall be made in your absence and the balance amount shall be recovered as arrears of land revenue besides, action as per agreement.

Records to be produced

- 01) Production register      02) stock register      03) challan book  
04) payment slips      05) challan register      06) bill book  
07) labour payment register 08) cash book and other records connecting with the mining lease 09) any other records or documents with is sought to be produced.

Authorized Officer  
Geology & Mining Dept.  
With designation & location of the office.

Government of Jammu & Kashmir  
Department of Geology & Mining

**FORM-D**

(to be submitted in triplicate)

See Rule 89

1. Name and address of individual(s), firm or company, applying.
2. Profession of individual(s), firm or company.
3. No. and date of order of the authority, against which the appeal/revision application is filed (copy attached).
4. Designation of the authority having passed the said order.
5. Minor Mineral(s) for which the revision application is filed.
6. Details of the area in respect of which the revision application is filed.

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District	Tehsil	Village	Total area claimed
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(A map or plan of the area(s) to be attached).

7. Whether application fee has been deposited in the manner prescribed in sub rule (2) of Rule 79 of J&K Minor Mineral concession, Storage, Transportation and prevention of Illegal Mining Rules,2014 if so, the Treasury receipt in original should be attached.
8. Whether the appeal/revision application has been filed within time specified in Rule 80 if not, the reasons for not presenting it within the prescribed limits as provided for in rules.
9. Name and complete address of the party/parties impleaded, under J&K Minor Mineral concession, Storage, Transportation and prevention of Illegal Mining Rules,2014.
10. No. of copies of petitions/applications attached
11. Grounds of revision.
12. If the revision application has been filed by the holder of Power of Attorney, the Power of Attorney to be attached.

Signature or the applicant

Place:

Date:

Government of Jammu & Kashmir  
Department of Geology & Mining  
**(FORM – ML1)**  
Application for Mining Lease (See Rule 28)  
To be submitted in Triplicate

Received at (Place) on (Date)  
Initials of receiving Officer

Entered at S.No,  
Page No. \_\_ of Form "ML4"

To  
The Director,  
Geology & Mining Dept.  
Jammu/Srinagar.  
Sir,

- I. I/We request that a mining lease under Minor Mineral Concession Rules may be granted to me/us.
2. A sum of Rs .....being as the application fee have been deposited (vide receipt/Treasury challan No.....dated.....in the Treasury .....
3. The required particulars are given below:
  - (i) Name of the application with complete address and status
  - (ii) Is the applicant a private individual/co-operative/Firm/ Association/Private/Public Company/, Public/Joint Sector undertaking or any other.
  - (iii) In case the applicant is:-
    - (a) an individual, his qualifications and experience relating to mining
    - (b) a company, an attested copy of the certificate of registration of the company shall be enclosed
    - (c) firm or Association, the permanent residence certificate of all the partners of the firm, or members of the association; and
    - (iv) Profession or nature or business of applicant
    - (v) Particulars of documents appended:

<b>Documents</b>	Reference
(a) Permanent residence certificate of J&K State	
(b) Mining dues clearance certificate	

OR

Affidavit in lieu of Mining Dues Clearance Certificate: subject to the production of mining lease dues, clearance certificate within the period of 30 days of making application.

OR

Affidavit when not holding any mining lease

- (vi) Mineral or minerals which the applicant intends to mine.
- (vii) Period for which mining lease is required
- (viii) Extent of the area for which mining lease is required.
- (ix) Details of the area in respect of which mining lease is required

**District Tehsil Village Khasra No. Plot No. Area Occupancy Ownership**

- (x) Brief description of the area with; particulars reference to the following:-
- (a) Does the applicant have surface rights over the area for which he is making an application for grant of mining lease.
  - (b) If not, has he obtained the consent of the owner, and the occupier of the land for undertaking mining operation. If so, the consent of the owner and occupier of the land be obtained in writing and be filed.
- (xi)
- (a) the situation of the area in respect of natural features such as streams or lakes
  - (b) In the case of Village areas; the name of the village, the khasra number, the area in hectares of each field or part thereof applied for.
  - (c) whether the area falls wholly or partly in Forest or protected areas  
Yes/No  
*If yes*, name of Forest Division, Range, Protected area, Eco-sensitive Zone, Compartment No, area within Forest/ Protected area should be communicated with a map showing clearly extent of Forest/Protected area and eco-sensitive zones with prominent features.  
*If no*, map with prominent features showing the aerial distance(s) from Forest, Protected area, Eco-sensitive Zone of the proposed site, incorporated with a Certificate from the Chief Conservator of Forests/Wild Life Warden of the concerned Region.
- (xii) The area applied for should be marked on plans as detailed below
- (a) In case cadastral map of the area is available, the area on this map should be marked showing the name of the Village, Khasra number and area in hectares of each field and part thereof.
  - (b) In the case of forest maps the area should be marked on the map showing the range and felling series
  - (c) In case neither cadastral nor forest maps are available the area should be marked on a sketch plan drawn to scale Showing on this plan all important, surface and natural features, the dimension of the lines forming the boundary of the area and the bearing and distance of all Corner points from any important, prominent and fixed point or points.
- (xiii) Particulars of the areas mineral-wise in each State duly Supported by an affidavit, for which the applicant or any person joint in interest with him,
- (a) already holds under mining lease.
  - (b) has already applied for but not granted.
  - (c) being applied for simultaneously;
- (xiv) Nature of joint in interest if any.
- (xv) Broad parameters of the mineral/ore body/bodies
- (a) Strike length, average width and; dip.
  - (b) Wall rocks on hanging and foot Wall sides.
  - (c) Whether area is considerably; disturbed geologically or is comparatively free of geological disturbances. (copy of geological map of the area is to be attached).
  - (d) Reserves assessed with their grades.



- (e) Whether the area is virgin. If not, the extent to which it has already been worked. In case there are old workings, their locations are to be shown on the geological map of the area.
- (xvi) Broad parameters of the mine
  - (a) Proposed date of commencement of the mining operations.
  - (b) Proposed rate of mineral production during first 5 years (year-wise).
  - (c) Proposed rate of production when mine is fully developed, anticipated life of the mine.
- (xvii) Manner in which the mineral raised is to be utilized.
  - (a) (1) If for captive use, the location of plant and Industry.  
(2) for sale for indigenous consumption
  - (b) If for exports to foreign countries
    - (1) names of the countries to which it is likely to be exported where the mine is being set-up on 100% export oriented or tie-up basis.
    - (2) Whether mineral will be exported in raw form or after processing.

Also indicate the stage of processing whether intermediate stage or final stage of the end product.

  - (c) If it is to be used within the country, indicate:
    - (1) the industry/industries in which it would be used.
    - (2) Whether it will be supplied in raw form or after processing (crushing/grinding/beneficiation/calcing).
    - (3) Whether it would need up gradation and if so, whether it is proposed to set up beneficiation plant also indicate the capacity of such plant and the time by which it would be set up.
- (xviii) Name, qualification and experience of the Technical personnel available for supervising the mines
- (xix) (i) Financial resources of the applicant.  
(ii) Anticipated yearly financial investment during the course of mine construction and aggregate investment up to the stage of commencement or commercial production.
- (xx) (a) Nature of waste water, (e.g. whether acidic) If so, expected PH value.  
(b) The application form should be accompanied by a statement of the salient features of the scheme of mining. This should be generally on the lines of the Project at a Glance given in mining reliability report including features relating to the protection of environment.

I/We do hereby declare that the particulars furnished above are correct and am/are ready to furnish any other details including accurate plans and security deposit as may be required by you.

Yours faithfully,

Signature of the applicant

Place.....

Date .....

Government of Jammu & Kashmir  
Department of Geology & Mining  
**FORM (ML2)**  
(To be submitted in duplicate)  
Application for Renewal of Mining Lease  
(See Rule 28)

Received at (place) on (Date)  
Initials of receiving Officer  
To

Entered at S.No,  
Page No.     of Form "ML4"

The Director,  
Geology & Mining Dept.  
Jammu/Srinagar

Sir,

1. I/We request renewal of my/our mining lease under the Minor Mineral Concession Rules, A sum of Rs. 50,000/- being the application fee payable under J&K Minor Mineral Concession Rules, 2016 vide Treasury Challan No.            dated            Treasury .....

2. The required particulars are given below:

- (i) Name of the applicant with complete address.
- (ii) Is the applicant a private individual/Private Company/Public Company/ firm or association?
- (iii) In case applicant is:
  - (a) an individual
  - (b) a company, an attested copy of the certificate of registration of the company shall be enclosed.
  - (c) A firm or association, proof of residence of all the partners of the firm, or members of the association.
- (iv) Profession or nature of business of applicant .
- (v) No. and date of valid clearance certificate of payment of mining dues.
- (vi) (a) Particulars of the mining lease of which renewal is desired;  
(b) Details of previous renewal granted, if any
- (vii) Period for which renewal of mining lease is required
- (viii) Whether renewal is applied for the whole or part of the lease hold?
  - (a) Does the applicant continue to have surface rights over the area of the land for which he requires renewal of the mining lease.
  - (b) If not, has he obtained the consent of the owner and occupied for undertaking mining operations. If so, the consent of the owner and occupier of the land obtained in writing be filed.
- (x) Particulars of the areas mineral-wise in each State duly supported by affidavit for which the applicant or any person having joint interest with him:
  - (a) already holds under mining lease;
  - (b) has already applied for but not granted, or
  - (c) being applied for simultaneously.
- (xi) Is the mineral going to be used in his own industry? If so, give full details.
- (xii) In case the renewal applied for is only part of the lease hold:
  - (a) the area applied for renewal

- (b) description of the area applied for renewal, (description should be adequate for the purpose of demarcating the plot).
- (c) particulars of map of the lease hold with area applied for renewal clearly marked on it (attached).
- (d) particulars of existing or created dumps of ores, if any,
- (xiii) means by which the mineral is to be raised, i.e, manual or mechanical.
- (xiv) Manner in which the mineral raised is to be utilized.
  - (a) for manufacture in State.
  - (b) exports.
  - (c) in the former case the industries in connection with which it is required, should be specified. In the latter case, the states/ countries to which the mineral will be exported and whether the mineral is to be exported after processing or in raw form should be stated.
- (xiv) Details of output during the last three years and phased programme for production during the next three years alongwith a layout plan for development, if any.
- (xvi) Any other particulars which the applicant wishes to furnish.

I/we/do hereby declare that the particulars furnished above are correct and am/are ready to furnish any other details, including accurate plans as required by you before the grant of renewal of the lease.

Signature of the applicant.

Place:

Date:

N.B:- If the application is signed by authorized agent of the applicant, Power of attorney should be attached.

Government of Jammu & Kashmir  
 Department of Geology & Mining  
**FORM (ML3)**  
 See Rule 29

Acknowledgement of application for grant/renewal of mining Lease

S.No \_\_\_\_\_ Dated: \_\_\_\_\_ Received the application with the following enclosures for the mining lease/renewal of mining lease of Sh/M/s \_\_\_\_\_ on \_\_\_\_\_ 2014 for \_\_\_\_\_ hectares of land located in District \_\_\_\_\_ for Mining of \_\_\_\_\_ minor minerals  
 Enclosures:-

Signature & designation  
 of Receiving Officer.

Date \_\_\_\_\_

Government of Jammu & Kashmir  
 Department of Geology & Mining  
**FORM (ML4)**

See Rule 32  
 Register of mining Lease applications

S.No	Name of applicant with father/husband name with permanent address	Occupation	Present Address	Date of Application
1	2	3	4	5
	Date of Receipt of application	Area applied alongwith description	period of lease applied	mineral/minerals applied
	6	7	8	9
	Order No. & Date of grant/rejection	whether for renewal	grant or signature of officer	Remarks
	10	11	12	13

Government of Jammu & Kashmir  
 Department of Geology & Mining  
**FORM (ML5)**  
 See Rule 32

Register of mining Leases

S.No	Name of grantee with father/Husband name and permanent address	Occupation	Date of Receipt of application	Area granted with description
1	2	3	4	5

Mineral/minerals Deposits Under lease	Order No. & Date of Grant renewal	Period of lease/ renewal	Amount of Dead rent	Security deposits
6	7	8	9	10

Name of transferee With father/ husband Name and address	Date of transfer	Date of expiry/ termination/ surrender	Date from which area is free for grant
11	12	13	14

Signature of officer	Remarks
15	16

Government of Jammu & Kashmir  
Department of Geology & Mining  
**FORM (ML6)**  
See Rule 37

**For Transfer of Mining Lease**

**When** the transferor is an individual :-

The indenture made \_\_\_\_\_ this day of \_\_\_\_\_ 20 \_\_\_\_\_ between \_\_\_\_\_ (Name address and occupation) (hereinafter referred to as the "transferor" which expression shall where the context so admits be deemed to include his heirs, executors, administrators, representatives and permitted assigns).

When the transferor are more than one individual:- \_\_\_\_\_ (Name of the person with address and occupation) (hereinafter referred to as the "transferor" which expression shall where the context so admits be deemed to include their respective heirs, executors, administrators, representatives and their permitted assigns).

When the transferor is a registered firm \_\_\_\_\_ (Name and address of all the partners) all carrying on business in partnership under the firm name and style of \_\_\_\_\_ (Name of the firm) and having their registered office at \_\_\_\_\_ (hereinafter referred to as the transferor" which expression where the context so admits be deemed to include all the said partners, their respective heirs, executors, legal representatives and permitted assigns).

When the transferor is a registered company \_\_\_\_\_ (Name of Company) a company registered under \_\_\_\_\_ (Act under which incorporated) and having its registered office at \_\_\_\_\_ (Address) (Hereinafter referred to as the "transferor" which expression shall where the context so admits be deemed \_\_\_\_\_ to included its successors and permitted assign) of the first part.

AND

When the transferee is an individual \_\_\_\_\_ (name of the person with address and occupation) herein after referred to as the "transferee" which expression shall where the context so admits be deemed to include his heirs, executors, administrators, representatives, and permitted assigns).

When the transferee are more than one individual \_\_\_\_\_ (Name of the person with address and occupation and \_\_\_\_\_ Name of the person with address and occupation)(Hereinafter referred to as the "transferee" which expression shall where the context so admits be deemed to include their representative heirs, executors. administrators, representatives and their permitted assigns)

When the transferee is a registered firm \_\_\_\_\_ (Name and address of all the partners.) all carrying on business in partnership under the firm name and style of \_\_\_\_\_ (Name of the firm)and having their registered office at \_\_\_\_\_ (herein after referred to as the "transferee" which expression where the context so admits be deemed to include all the said partners, their representative heirs, executors, legal representatives and permitted assigns).

When the transferee is a registered company \_\_\_\_\_ (Name of the company) a company registered under \_\_\_\_\_ (Act under which incorporated) and having its registered office at \_\_\_\_\_ (address)(herein after referred to as the "transferee" which expression shall where the context so admits be deemed to include its successors and permitted assigns) of the second part.

AND The Director (hereinafter referred to as the "Government/Department" which expression shall where the context so admits to be deemed to include the successors and assigns) of the third part.

Whereas by virtue of an indenture of lease dated the \_\_\_\_\_ And Registered as on \_\_\_\_\_ (Date) in the office of the Sub-Registrar of (Place) (herein after referred to as lease) the original whereof is attached hereto and marked "A" entered into between the Director (therein called the lessor) and the transferor (therein called the lessee), the transferor is entitled to search for win and work the mines and minerals in respect of the transferor is entitled to search for win and work the mines and minerals in respect of \_\_\_\_\_ (Name of minerals) in the lands described in the schedule thereto and also in Schedule annexed hereto for the terms and subject to the payments of the rent and royalties and observance and performance of the lessee's covenant and conditions in the said deed of lease reserved and contained including covenant not to assign the lease or any interest there under without the previous sanction of the Department/Government.

**And whereas** the transferor is now desirous of transferring and assigning the lease to the transferee and the Department has, at the request of the transferor, granted (with the prior approval of the Government) permission to the transferor vide order No. \_\_\_\_\_ dated \_\_\_\_\_ to such a transfer and assignment is and containing the terms and conditions hereinafter set-forth.

**Now this Deed witnesseth as follows:-**

I. In consideration of Rs. \_\_\_\_\_ paid by the transferee to the transferor the receipt of which the transferor hereby acknowledges, the transferor hereby conveys assigns and transfers into the transferee all the rights and obligations under the said hereinbefore recited lease and to hold the same up to the transferee with effect from \_\_\_\_\_. For the unexpired period of the said lease.

The transferee hereby covenants with the Department that from and after transfer and assignment of the lease the transferee shall be bound by, and be liable to perform. Observe and conform and be subject to all the provisions of all the covenants, stipulations and conditions contained in said herein before recited lease in the same manner in all respects as if the lease had been granted to the transferee as the lessee there under and he had original, executed it as such.

It is further hereby agreed and declared by the transferor or the one part and the transferee of the other part that:-

The transferor and the transferee declare that they have ensured that the mineral rights over the area for which the mining lease is being transferred vest to the Department.

- (i) The transferor hereby declares that he has not assigned, subject, mortgaged or in any other manner transferred the mining lease now being transferred and that no other person or persons has any right, title or interest where under in the present mining lease being transferred.
- (ii) The transferor further declares that he has not entered into or made any agreement, contract or understanding whereby he has been or is being directly or indirectly financed to a substantial extent by or under which the transferor's operation or understanding were or are being substantially controlled by any person or body of persons other than the transferor.
- (iv) The transferee further declares that he/she has furnished in affidavit along with his application for transfer of the present mining lease specifying therein the amount that he has already taken/proposes to take as consideration from the transferee.
- (v) The transferee further declares that he is financially capable of and will directly undertake mining operations.

- (vi) The transferor has supplied to the transferee the original/or certified copies of all plans of abandoned working in the area and in a belt of 6 meters wide surrounding it.
- (vii) The transferor has paid all the rent, royalties and other dues towards Department till this date in respect of this lease:

In Witness whereof the parties hereto have signed on the date and year first above written.

Signed on behalf of the  
Governor of J&K State

Signature of the transferor \_\_\_\_\_

(Designation)

Signature of the transferee \_\_\_\_\_

Date \_\_\_\_\_ Witness 1. \_\_\_\_\_ 2. \_\_\_\_\_

Government of Jammu & Kashmir  
Department of Geology & Mining  
**FORM (ML7)**  
See Rule 38(3)  
Production, Dispatch & Stock Register

S.No	Date	No. of persons employed	Opening stock	Production	Total	Approximate quantity of mineral dispatched
1	2	3	4	5	6	7

Sale price per tonne(grade wise)	Approximate stock balance	Actual dispatch	Closing stock	Challan No.	Vehicle No.	Remarks
8	9	10	11	12	13	14

Signature of lessee



Government of Jammu & Kashmir  
 Department of Geology & Mining  
**FORM (ML8)**

See Rule 38(4)

Model Form for Monthly Returns for the month \_\_\_\_ of Year \_\_\_\_  
 Name and address of the lessee \_\_\_\_\_  
 Name of Mine \_\_\_\_\_ Period of Lease \_\_\_\_\_

S.No	Opening stock of mineral	Production	Total
1	2	3	4

Quantity, dispatched			
Purpose	Quantity	Challan No. and Date	Closing balance
5	6	7	8

Average No. of workers	Working days	Quantity of over burden removed	remarks
9	10	11	12

Date:-  
 Place:-

Signature of lessee/authorized  
 agent/manager

Government of Jammu & Kashmir  
Department of Geology & Mining

**FORM (ML9)**

See Rule 38(4)

Annual return to be furnished by the mining lessee

Annual Statement of Minor Minerals obtained, labourer employed, etc. for the Lease Year ending \_\_\_\_\_ 20

Name of the lessee \_\_\_\_\_

Area of the Lease \_\_\_\_\_

Village \_\_\_\_\_

Tehsil \_\_\_\_\_

District \_\_\_\_\_

Name of the minor mineral	Output	Value	Average no. of persons employed daily		
			Male	Female	Total
1	2	3	4		

Average no. of days worked	No. of accidents	Compensation paid		No. of days worked	remarks
		Rs.	P		
5	6	7		8	9

Signature of the minor mineral  
concessionary or his authorized agent

Dated: -----

N.B. This return is to be submitted by the 15th of month of each year for the preceding lease year to the:-

(a) Director Geology & Mining J&K Govt. Jammu/Srinagar.

(b) Officer I/C of the District concerned.

Government of Jammu & Kashmir  
Department of Geology & Mining

**FORM ML10**

**MODEL FORM OF MINING LEASE Deed**

See Rule 40(1)

This Indenture made this..... day of .....20..... between the Director on behalf of Governor of the State(hereafter referred to as the 'State Government' which expression shall were the context so admits be deemed to include the successors and assigns) of the one part; and

**When the lessee is an individual:-**

.....(Name of person with address and occupation) hereinafter referred to as the "the lessee" which expression shall where the context so admits be deemed to include his respective heirs, executors, administrators, representatives and permitted assigns.)

**When the lessee are more than one individual:-**

..... (Name of person with address and occupation) and .....(Name of person with address and occupation) be deemed to include his respective heirs, executors, administrators, representatives and their permitted assigns.

**WHEREAS** the lessee has applied to the Department in accordance with the Minor Mineral Concessions Rules, 2014 (hereafter referred to as the said rules) for the Grant of mining lease of in respect of the lands described in Part I of the schedule here under written and has/have deposited with the Department the sum of Rs. \_\_\_\_/= as security vide CDR No. Dated and the sum of Rs. \_\_\_\_/= vide T R No. \_\_\_\_ dated \_\_\_\_ as application fee for a mining lease.

Whereas mining lease was granted in favour of M/S \_\_\_\_\_Vide Order No. \_\_\_\_ of dated \_\_\_\_ read with subject to the conditions laid down in the "aid Order No.

**WITNESS** that in consideration of the rents and the royalties covenants and agreements by and in these presents and the schedule here under written reserved and contained and on the part of the lessee to be paid observed and performed, the Department hereby grants and demises unto lessee. The mineral (hereinafter and in the schedule referred to as the said minerals) situated lying and being in or under the lands which are referred to in Part I of the said schedule, together with liberties, powers, and privileges to be exercised or enjoyed in connection herewith which are mentioned in Part II of the said schedule subject to the restrictions and conditions as to the exercise and enjoyment of such liberties, powers and privileges which are mentioned in part III of the said schedule EXCEPT and reserving out of the demise unto the State Government the liberties, powers and privileges mentioned in part IV of the said schedule. To hold the premises hereby granted and demised unto the lessee from day 20 I 0 for the term of \_\_\_\_ years thence ensuing YIELDING AND PAYING therefore unto the Department the several rents, royalties mentioned in part V of the said schedule at the respective times therein specified subject to the provisions contained in part VI of the said schedule and the lessee hereby covenants with the Department as in Part VI I of the said schedule as expressed and the Department hereby covenants with the lessee as in part VIII of the said schedule as expressed.

AND it is hereby mutually agreed between the parties hereto as In part IX of the said is expressed.

IN WITNESS WHERE OF these presents have been executed in manner hereunder appearing the day and year first above written.

The schedule above referred to:-

**PART I**  
**THE AREA OF THE LEASE**

**Location and area of the lease**

All the tract of lands situated at village Tehsil \_\_\_\_\_, District \_\_\_\_\_ falling under Khasra No's \_\_\_\_\_ containing an area of \_\_\_\_\_ hectares or thereabouts delineated on plan \_\_\_\_\_ here' to annexed and bounded as \_\_\_\_\_ hereinafter referred to as "the said lands'

**PART II**

Liberties, powers and privileges to be exercised and enjoyed by the lessees subject to the restrictions and conditions in part III

**1. To enter upon land and search for, win, work etc:-**

Liberty and power at all times during the term hereby demised to enter upon the said lands and to search for mine. bore. dig, drill or. win. work. dress process convert. carry away and dispose of the said material.

**2. To bring and use machinery equipment etc:-**

Liberty and power for in connection with any of the purposes mentioned in this part to erect, construct, Maintain and use on or under the said lands any engines, machinery, plant, dressing floors, and other works and convenience of the like nature on or under the said lands.

**3. To make roads and ways etc and use existing roads and ways:-**

Liberty and power for or in connection with any of the purpose mentioned in this part to make any roads and other ways in or over the said lands and to use maintain and go, and re-pass with or without horses, cattles, wagons, locomotives, or other vehicles over the same on such conditions as may be agreed to.

**4. To get building and road material, etc:-**

Liberty and power for or in connection with any of the purposes mentioned in this part to quarry and get stone gravel and other building and road material.

**5. To use water from streams etc:-**

Liberty and power for or in connection with any of the purpose maintained in this part but subject to the right of any existing or future lessees and with the written permission of Deputy Commissioner/ Collector to appropriate and use water from any streams water course, springs or other sources in or upon the said lands. Provided that the lessees shall not interfere with the navigation in any navigable stream nor shall divert such stream without the previous written permission of the State Government.

**6. Beneficiation and conveying away of production:-**

Liberty and power to enter upon and use a sufficient part of the said lands to beneficiate any ore produced from the said lands and to carry away such beneficiated ore.

**PART III**

**Restrictions and conditions as to the liberties, powers and privileges in part II**

**1. No buildings etc. upon certain places:-**

No building or thing shall be erected, set up or placed and no surface operations shall be carried on in upon any public pleasure ground. burning or burial ground or place held sacred by any class of persons or any house or village site. public road or other place which the State Government may determine as public ground nor in such manner as to injure or prejudicially effect any buildings works property or rights of other persons and no land will be used for surface operations which is

already occupied by persons other than the State Government for works or purpose not included in this lease, the lessees shall not also interfere with any right of way, well or tank.

2. **Permission for surface operations in a land not already in use:-**

Before using for surface operations any land which has not already been used for such operations, the lessee shall give to Deputy Commissioner/Collector of the District two calendar months previous notice in writing specifying the name or other description of the situation and the context of the land proposed to be so used and the purpose for which the same is required and the said land shall not be so used if objection is issued by the Deputy Commissioner / Collector within two months after receipt by him of such notice unless the objections so stated shall on reference to the State Government be annulled or waived.

3. **To cut trees in unreserved lands:-**

The lessees shall not without the previous sanction of the Deputy Commissioner/Collector cut down, or injure any timber or trees on the said lands but may without such sanction clear away any brushwood or undergrowth which interferes with any operations authorized by these presents. The Deputy Commissioner/collector or the State Government may require the lessee to pay for any trees felled and utilized by them at the rate specified by the Deputy Commissioner/Collector of the District.

4. **No mining operations within distances as per Rule,4 of the public works etc:-**

The lessee shall not work or carry on or allow to be worked or carried on any mining operations at or to any point within a distance of \_\_meters from any railway line except with the previous written permission of the railway administration concerned or under or beneath any ropeway or any ropeway trestle or station, except with the previous written permission of the Deputy Commissioner/Collector or any other Officer authorized by the State Government in this behalf and otherwise than in accordance with such instructions, restrictions and conditions either general or special which may be attached to such permission the said distance of \_\_meters shall be measured in the case of the railway, reservoir or canal horizontally from the outer toe of the bank or the outer edge of the cutting as the case may be and in case of the building horizontally from the plinth thereof. In the case of village roads no working shall be carried on within the distance of \_\_ meters of the outer edge of the cutting except with the previous permission of the Deputy Commissioner/Collector or any other Officer duly authorized by the State Government in this behalf and otherwise than in accordance with such directions, restrictions and additions, either general or special, which may be attached to such permission.

**Explanation:-** For the purpose of the clause the expression 'Railway Administration' shall have the same meaning as it is defined to have in the Indian Railways Act. 1890 by clause (6) of section 3 of that Act. Public roads shall mean a road which has been constructed artificially surfaced as distinct from a tract resulting from repeated use. Village road will include any tract shown in the revenue records as village road.

5. **Facilities for adjoining Government Licenses and leases**

The lessees shall allow existing and future holders of the Government license or leases over any land which is comprised in or adjoins or is reached by the land held by the lessees reasonable facilities of access thereto:

PROVIDED THAT no substantial hindrance or interference shall be caused by such holders of Licenses or leases to the operation of the lessee under these present and fair compensations (as may be mutually agreed upon or in the event of disagreement as may be decided by the State Government) shall be made to the lessee for loss or damage sustained by the lessee by reason of the exercise of this liberty.

## PART IV

Liberties, Powers and Privileges to the State Government

1. **To work other minerals:-**

Liberty and power for the State Government, or to any lessee or persons authorized by it in that behalf to enter into and upon the said land and search for, win, work, dig, raise, dress, process, convert and carry away other than the said minerals and any other substances and for those purposes to sink, drive, make, erect, construct, maintain and use such pits, roadways and other works and conveniences and may be deemed necessary or convenient.

2. **To make roads:-**

Liberty and power for the State Government or any lessee or person authorized by it in that behalf to enter & upon the said lands and to make upon over or through the same any roads or any existing railways and roads and to and re-pass at all times with or without horses, cattle or other animals, carts, wagons, carriages, locomotives, or other vehicles over or along any such road lines and other ways for all purposes and as occasion may require, provided that in the exercise of such liberty and power by such other lessee or person no substantial hindrance or Interference shall cause to with the liberties, powers, and privileges of the lessees under these presents and that fair compensation as may be mutually agreed upon or in the event of disagreement and may be decided by the State Government shall be made to the lessee for all loss or damage substantial hindrance or interference shall be caused to or with exercise by such lessee or person of such liberty and power.

## PART V

**Rent and Royalties reserved by this lease**

**To pay dead rent or royalty whichever is higher:-**

1. **The lessee shall pay, for every year of the lease, dead rent as specified in the clause 2 of this part:-**

To pay royalty for any mineral removed or consumed by him or by his agent, Manager, employee, contractor or sub-lessee from the leased area. he shall be liable to pay either such royalty or the dead rent in respect of that area whichever is higher.

2. **Rate and mode of payment of dead rent:-**

Subject to provision or clause I of this part, during the subsistence of the lease the lessee shall pay to the State Government annual dead rent for the lands and described in pan I of this schedule at the rate of the time being specified in the Third schedule to the Act. In such manner may be specified in this behalf by the State Government.

3. **Rate and mode of payment of royalty:-**

Subject to the provisions of clause J of this part, the lessee shall during the subsistence of this lease pay to the State Government at such times and in such a manner as the State Government may prescribe royalty \_\_ in respect of any mineral removed by him/them from the leased area at the rate for the time being specified in the **schedule-I** to the J&K MMCR, 2014.

4. **Payment of surface rent, and water rate:-**

The lessee shall pay rent and water rate to the state government in respect of all parts of the surface of the said lands which shall from time to time occupied or used by the lessee under the authority of these presents at the rate prevalent with the State Government

respectively per annum per hectare of the area so occupied or used and so in proportion for any area less than a hectare during the period from the commencement of such occupation or used until the area shall cease to be occupied or used and shall as far as possible restore the, surface land so used to its original condition. Surface rent and the water rate shall be paid as hereinbefore detailed in clause 2.

Provided that no such rent! water rate shall be payable in respect of the occupation and use of the area comprised in any roads or ways to which the public have full right to access.

#### PART VI

##### **Provisions relating in the Rents and Royalties**

**1. Rent and royalties to be free from deduction etc:-**

The rent, water rate and Royalties mentioned in part V of this schedule shall be paid free from any deductions to the State Government at District \_\_\_\_\_ and such manner as the State government may prescribe.

Provided always and is hereby agreed that Rs. \_\_\_/= the balance standing to the credit of the lessee on account of the deposit made by him as a security over an area which included the said lands shall be retained and accepted by the State Government in satisfaction of the rents and royalties mentioned in Part V until they reach that amount.

**2. Mode of computation of royalty:-**

For the purpose of computing the said royalties the lessee shall keep a correct account of the mineral produced and dispatched. The account as well as the weight of the mineral in stock or in the process of export may' be checked by an officer authorized by the Director/ Government.

**3. Course of action if rents and royalties are not paid in time:-**

Should any royalty or any other sums due to the State Government under the terms and conditions of these presents be not paid by the lessee within the prescribed time the same, together with simple interest due thereon at the rate of 15 %Per annum may be recovered on a certificate .of such officer as may be specified by the Department by general or special order, in the same manner as an arrear of land revenue.

#### PART VII

##### **The Covenants of the Lessee**

**1. Lessee to pay rents and royalties, taxes, etc:-**

The lessee shall pay the rent, water rate and royalties reserved by this lease at such times and in the manner provided in Parts V and VI of these presents and shall also pay and discharge all taxes, rates, assessments and impositions whatsoever brings in nature of public demands which shall from time to time be charged, assessed or imposed by the authority of the Central and State Government upon or in respect of the premises and works of the lessee in common with other premises of a like nature except demand for land revenues.

**2. To maintain and keep boundary marks in good order:-**

The lessee shall at their own expense erect at all times maintain and keep in repair boundary marks and pillars according to the demarcation to be shown in the plan annexed to this lease. Such marks and pillars shall be sufficiently clear of the shrubs and other obstructions as to allow easy identification.

**3. To indemnify Department against all claims:-**

The lessee shall make and pay such reasonable satisfaction and compensation as may be assessed by lawful authority in accordance with the law-in-force on the subject for all damage, injury or

disturbance which may be done by them in exercise of the powers granted by this lease and shall indemnify and keep indemnified fully and completely to the State Government/Department against all claims which may be made by any person or persons in respect of any such damage, injury or disturbance and all costs and expenses in connection therein.

4. **To strength and support the mine to necessary extent:-**

The lessee shall strengthen and support to the satisfaction of the Railway Administration Concerned or the State Government. as the case may be any part of the mine which in its opinion requires such strengthening or support for the safety of railway reservoir, canal, road and any other public works or structures.

5. **To allow inspection of workings:-**

The lessees shall allow any officer authorized by the Director or the State Government in that behalf to enter upon the premises including any building, excavations or land comprised in the lease for the purpose of inspecting, examining, Surveying, prospecting and making plans thereof sampling and collecting any data and the lessee shall with proper person employed by the lessee and acquainted with the mines and work effectually assist such officer. agents, servants and workmen in conducting every such inspection and shall afford them all facilities, information connected with the working of the mines which they may reasonably require and also shall and will confirm to and observe all orders and obligation with the Department and State Government as the result of such inspection otherwise may, from time to time, see fit to impose:-

6. **To report accident:-**

The lessees shall without delay send to the Deputy Commissioner/Collector a report of any accident causing death or serious bodily injury or serious injury to property seriously affecting or endangering life or property which may occur in course of the operations under this lease.

7. **To report discovery of other minerals:-**

The lessees shall report to the State Government the discovery in the lease area of any mineral not specified in the lease within \_\_\_ days of such discovery along with full particulars of the nature and position of each such find. If any mineral not specified in the lease is discovered in the leased area the lessee shall not win and dispose of such mineral unless such mineral is included in the lease or a separate lease is obtained therefore.

8. **To keep the records and accounts regarding production and employees etc:-**

The lessees shall at all time during the said term keep or cause to be kept at an office to be situated upon or near the said lands correct and intelligible book of accounts which shall contain accurate entries showing from time to time:-

(i). Quantity and quality of the said mineral realized from the said lands.

(ii). Quantity of various qualities of ores beneficiated or converted

(iii). Quantities of the various qualities of the said mineral sold and exported separately.

(iv). Quantities of the various qualities of the said mineral otherwise disposed off and the manner and purpose of such disposal.

(v). Prices and all other particulars of all sales of said mineral.

(vi). The number of persons employed in the mines or works or upon the said lands pacifying nationality, qualifications and pay of the technical personnel.



- (vii). Such other facts, particulars and circumstances as the Department or State Governments may from time to time require and shall also furnish free of charge to such Officers and at such times as the Department and State Governments may appoint true and correct abstract of all or such books of accounts and such information and returns to all or any of the matters aforesaid as the State Government may prescribe and shall at all reasonable times allow such Officers as the Department or the State Government shall in that behalf appoint to enter into and have free access to the said Officers for the purpose of examining and inspecting the said books of accounts, plan and records and to make copies thereof and make extracts there from.
9. **To maintain plans, etc:-**  
 The lessee shall at all times during the said term maintain at the mine office correct intelligible up-to-date and complete plans of the sections of mines in the said lands. They shall show all the operations and workings and all the trenches, pits and drillings made by him in the course of operations carried on by him under the lease, faults and other disturbance encountered and geological data and all such plans and sections be amended and filled up by and from actual surveys to be made for that purpose at the end of twelve months. The lessee shall allow any officer of the Department or the State Government, to inspect the same at all reasonable times.
10. (a). The lessee shall pay a wage not less than the minimum wage prescribed by the central or the State Government from time to time.  
 (b). The lessee shall comply with provisions of the Mines Act-1952 and the rules made there under.  
 (c). The lessee shall take measures for the protection of the environment like planting of trees, reclamation of land, use of pollution-control devices, and such other measures as may be prescribed by the Central or the State governments from time to time at his own expense.  
 (d). The lessee shall pay compensation to the occupier of the land on the date and in the manner laid down in these rules.  
 (e). The lessee shall in the manner of employment give preference to the tribals and to the persons who becomes displaced because of the taking up of the mining operations.
11. **Act 67 of 1957:-**  
 The lessee shall be bound by such rules as may be issued from time to time. by the Government of India under Section 15 of the Mines and Minerals (Development and Regulation) Act -1957(Act 67 of 1957) and shall not carry on mining or other operations under the said lease in any way other than as prescribed under these rules.  
 To provide weighing machine:-
12. Unless specifically exempted by the Department/state government the lessee shall provide and at all times keep at or near the pit head or each of the pit heads at which the said minerals shall be brought to book a properly constructed and efficient weighing machine and shall weigh or cause to be weighted thereon all the said minerals, from time to time, brought to bank. sold. exported and converted and also converted products and shall at the close of each day cause the total weights, ascertained by means or the said minerals. ores, products raised, sold, exported and
13. Converted during the previous twenty- four hours to be entered in the aforesaid book of accounts. The lessee shall permit, the State Government at all times, during the said term to employ any person or persons to be present at the weighing of the said minerals as aforesaid and to keep accounts thereof and to check the accounts kept by the lessee.
14. **To allow test of weighing machine:-**  
 The lessee shall allow any person or persons appointed in that behalf by the state Government at any time or times during the said term to examine and test every weighing machine to be

provided and kept as aforesaid and the weights used therewith in order to ascertain whether the same respectively are correct and in good repair and order and if upon any such examination or testing any such weighing machine or weights shall be found incorrect or out of repair or order, the State Government may require that the same be adjusted, repaired and put in order by and at the expense of the lessee & if such requisition be not complied with within fourteen days after the same shall have been made, the State Government may cause such weighing machines or weights to be adjusted, repaired, and put in order and the expense of so doing shall be paid by the lessee/lessees to the State Government on demand.

15. **To pay the compensation for injury of third parties:-**

The lessee shall make and pay reasonable satisfaction and compensation for all the damage, injury or disturbance or person or property which may be done by or on the part of lessee in exercise of the liberties and power granted by these presents and shall at all times save harmless and keep indemnified the State Government from and against all suits, claims and demands which may be brought or made by any person or persons in respect of any such damage, injury or disturbance

16. **Not to obstruct the working of other minerals :-**

The lessee will exercise the liberties and powers hereby granted in such a manner as to offer no unnecessary or reasonably avoidably obstruction or interruption to the development and working within the said lands of any minerals not included in this lease and shall at all times afford to the Department and State Government and to the holders of the prospecting Licenses or mining leases in respect of any such minerals or any minerals within any land adjacent to the said lands as the case may be reasonable means of access and safe and convenient passage upon and across the said lands to such minerals for the purpose of getting working, developing and carrying away the same provided that the lessee shall receive reasonable compensation for any damage or injury, which he may sustain by reason or in consequence of the use or such passage by such lessees or holders of prospecting Licenses.

16. **Transfer of lease:-**

The lessee shall not without the previous consent in writing of the Department:

(a) Assign, sublet, mortgage, or in any manner, transfer the mining lease, or any right, title or interest therein, or

(b) Enter into or make any arrangement, contract or understanding whereby the lessee will or may be directly or indirectly financed to a substantial extent by, or under which the lessee's operations or undertakings will or may be substantially controlled by any person or bodies of persons other than the lessee:

17. **Provided that the Department shall not give its written consent unless:-**

1 (a). The lessee has furnished an affidavit along with his application for transfer of the mining lease specifying therein the amount that he has already taken or proposes to take as consideration from the transferee.

(b). The transfer of the mining lease is to be made to a person or body directly undertaking mining operations.

2 Without prejudice to the above provisions the lessee may, subject to the conditions specified in the proviso to Rule \_\_\_ of the said rules, transfer this lease or any right title or interest therein, to a person on payment of RS. \_\_\_ to the Department:

- Provided that** the lessee shall make available to the transferee the original or certified copies of all plans of abandoned workings in the area and in a belt \_\_\_ meters wide Surroundings it.
18. The state Government, may by order in writing determine the lease at any time if the lessee has in the opinion of the Department/State Government, committed a breach of any of the provisions or has transferred the lease or any right, title or interest therein otherwise in accordance with clause (2):
- Provided that** no such order shall be made without giving the lessee a reasonable opportunity of Stating his case.
19. **Lessee shall deposit any additional amount necessary:-**  
Whenever the security deposit of Rs. \_\_\_\_/= or any part thereof or any further sum hereafter deposited with the State Government in replenishment thereof shall be forfeited or applied by the Department or State Government pursuant to the power in hereafter declared in that behalf the lessee shall deposit with the State Government such further sum as may be sufficient with the inappropriate part thereof to bring the amount in deposit with the Department/State Government up to the sum of Rs. \_\_\_\_\_
- Right of pre-emption:-**
20. (a)The State Government shall from time to time and all times during the said term have the right (to be exercised by notice in writing to the lessee)of pre-emption of the said minerals (and all products thereof) lying in upon the said lands hereby demised or elsewhere under the control of the lessee and the lessee shall with all possible expedition deliver all minerals or products or minerals purchased by the State Government under the power conferred by this provision in the quantities at the times in manner and at the place specified in the notice exercising the said right.
- (b). In the event of the existence of a state of war or emergency (of which existence and President of India shall be the sole judge and notification to this effect in the Gazette of India shall be conclusive proof), the Department with the consent of the Government shall from time to time and all times during the said term have the right (to be exercised by a notice in writing to the lessee forthwith take possession and control of the works, plants, machinery and premises of the lessee on or in connection with the said lands or operations under this lease and during such possession or control the lessee shall confirm to and obey all directions given by or on behalf of the Department or State Government regarding the use or employment of such works, plants, premises and minerals,
21. **Employment of foreign national:-**  
The lessee shall not employ, in connection with mining operations any person who is not an Indian national except with the previous approval of the State Government.
22. **Recovery of the Expenses incurred by the State Government:-**  
If any of the works or matters which in accordance with the covenants in that behalf herein before contained are to be carried or performed by the lessee be not so carried out or performed within the time specified in that behalf, the Department/State Government may cause the same to be carried out or performed and the lessee shall pay the Department/State Government on demand all expenses which shall be incurred in such carrying out or performance of the same and the decision of the Department/State Government as to such expenses shall be final.

## PART VIII

### **The covenants of the Department/State Government**

#### **1. Lessee may hold and enjoy rights quietly:-**

The lessee paying the rents, water rates and royalties hereby reserved and observing and performing all the covenants and agreements herein contained and on the part of the lessee to be observed and performed shall and may quietly hold and enjoy the rights and premises hereby demised for and during the term hereby granted without any lawful interruption from or by the State Government, or any person rightfully claiming under it.

#### **2. Acquisition of land of third parties and compensation thereof:-**

If the accordance with the provisions of the clause 4 of part VII of this schedule the lessee shall offer to pay, to an occupier of the surface of any part of the said land compensation for any damage or injury which may arise from the proposed operation of the lessee and the said occupier shall refuse his consent to the exercise of the right and powers reserved to the Department/State Government and demised to be lessee/lessees by the presents and the lessee shall report the matter to the State Government and shall deposit with it the amount offered as compensation and if the Department/State Government is satisfied that the amount of compensation offered is fair and reasonable or if it is not so satisfied and the lessee shall have deposited with it such further amount as the State and Central Government shall consider fair and reasonable the Department/State Government shall order the occupier to allow the lessee to enter the land and to carry out such operations as may be necessary for the purpose of this lease, In assessing the amount of such compensation the Department/State Government shall be guided by the principles of the Land Acquisition Act.

#### **3. To renew:-**

The mining lease is renewable in terms of the provisions of the Act. And the rules made there under:

**Provided that** the Department/State Government may for reasons to be recorded in writing reduce the applied area for If the lease is in respect of the minerals specified in the First Schedule the Act, renewable will be subject to the prior approval of the Department/State Government. If the lessees be desirous of taking a renewed lease of the premises hereby demised or any parts of them for a further term from the expiration of the term hereby granted and is otherwise eligible, they shall prior to expiration of the last mentioned term give to the Department/State Government twenty calendar months previous notice in writing and shall pay the rent, rates and royalties hereby reserved and shall observe and perform the several covenant and agreements herein contained and on the part of the lessee to be observed and performed up to the expiration of the term here by granted, The Department/State Government on receipt of application for renewal. Shall consider it in accordance with the provisions of the act and the rules made there under and shall pass order as it deems fit. If renewal is granted, the Department/State Government will at the expense of the lessee and upon his executing and delivering to the deptt. State Government if required a counterpart thereof execute and deliver to the lessee a Grant of Mining renewed lease of the said premises or part thereof for the further term of \_\_\_\_ years at such rent, rates and royalties and on such terms and subject to such covenants and agreements includes this present covenants to renew as shall be in accordance with the Minor Mineral Concession Rules, 2014, applicable to \_\_\_\_ (**mineral**) on the day next following the expiration of the term hereby granted.

**4. Liberty to determine the lease:-**

The lessee may at any time determine this lease by giving not less than months notice in writing to the Department/State Government or to such officer or authority as the State Government may specify in this behalf and upon the expiration of such notice provided that the lessee shall upon such expiration render and pay all rents, water rates, royalties, compensation for damages and other moneys which may then be due and payable under these presents to the lessor or any other person or persons and shall deliver these presents to the Department/State Government then this lease and the said term and the liberties, powers and privileges hereby granted shall absolutely cease and determine but without prejudice to any right or remedy of the lessor in respect of any breach of any of the covenants or agreements contained in these presents ..

1) The Department/State Government may on an applications made by the lessee permit him to surrender one or more minerals from his lease which is for a group of minerals on the ground that deposits of that mineral have since exhausted or depleted to such an extent that it is no longer possible to work the mineral economically, subject to the condition that the lessee:

(a). Makes an application for such surrender of mineral at least six months before the intended date of surrender, and

(b). Gives an undertaking that he will not cause any hindrance in the working of the mineral surrendered by any other person who is subsequently granted a mining lease for that mineral.

**5. Refund of security deposits:-**

On such date as the State Government may elect within months after the determination of this lease or any renewal thereof, the amount of the security deposit paid in respect of this lease and then remaining in deposit with the Department/ State Government and not required to be applied to any of the purposes mentioned in this lease shall be refunded to the lessee. No interest shall run on the security deposit.

**PART IX**

**General Provisions**

**1. Obstructions to inspection: -**

In case the lessee for his transferee/Assignee does not allow entry or inspection by the Officers authorized by the Department or State Government. The Department/ State Government shall give notice in writing to the lessee requiring him to show cause within such time as may be specified in the notice why the lease should not be determined and his security deposit forfeited: and if the lessee fails to show cause within the aforesaid time to the satisfaction of the Department/State Government, the Department/State Government may determine the lease and forfeit the whole or part of the security deposit.

**2. Penalty in case of default in the payment of royalty and breach of covenants:-**

If the lessee or his transferee or assignee makes any default in payment of rent or water rate or Royalty required by section 9 of the Act or commits a breach of any of the conditions and covenants other than those referred to in covenant I above, the State Government shall give notice to the lessee requiring him to pay the rent, water rate, royalty or remedy the breach, as the case may be, within \_\_\_\_ days from the date of receipt of the notice and if the rent water rate, and royalty are not paid or the breach is not remedied within such period, the Department/State Government without prejudice to any proceedings that may be taken against him determine the lease and forfeit the whole or part of the security deposit.

3. **Penalty for repeated breaches of covenants:-**

In case of the repeated breaches of covenants and agreements by the lessee for which notice has been given by the Department/State Government in accordance with clause (1) and (2) aforementioned on earlier occasion, the Department/State Government without giving any further notice. may impose such penalty not exceeding twice the amount of annual dead rent specified in clause 2 Part V

4. **Failure to fulfill the terms of leases due to "Force Majeure"**

Failure on the part of the lessee to fulfill any or the terms and conditions of this lease shall not give the Department or State Government any claim against the lessee or be deemed a breach of this lease in so far as such failure is considered by the said Department/Government to arise from force majeure, and if through force majeure the fulfillment by the lessee of any of the terms and conditions of this lease be delayed the period of such delay shall be added to the period fixed by this lease. In this clause the expression "Force Majeure" means act of God, war, insurrection, riot, civil commotion, strike, earthquake, tide, storm, tidal wave, flood, lightning, explosion, fire and any other happening which the lessee could not reasonably prevent or control.

5. **Lessee to remove his properties on the expiry of lease:-**

The lessee having first paid discharged rents, rates and royalties payable by virtue of these presents may at the expiration or sooner determination of said term or within \_\_\_\_ months thereafter (unless the lease shall be determined under clauses I and 2 of this part and in that case at any time not less than \_\_\_\_ months not more than \_\_\_\_ months after such determination) take down or remove for his own benefit, set up or placed by the lessee in or upon the said lands and which the lessee is not bound to deliver to the Department/State Government under clause 20 of Part VII of this schedule and which the Department/State Government shall not desire to purchase.

6. **Forfeiture of property left after determination of leases:-**

If at the end of six calendar months after the expiration or sooner determination of the said term under the provision contained in clause 4 of Part VII of this schedule become effective there shall remain in or upon the said land any [ore or mineral] engines, machinery, plant, building structure and other work, erections and conveniences or other property which are not required by the lessee in connection with operations in any other lands hold by him under mining lease the same shall if not removed by the lessee within \_\_\_\_ month after notice in writing requiring their removal has been given to the lessee by the Department/State Government be deemed to become the property of the Department/State Government and may be sold or disposed of in such a manner as the Department/State Government shall deem fit without liability to pay any compensation or to account to the lessee in respect thereof

IN WITNESS WHEREOF these presents. have been executed in the manner hereunder appearing the day.

lessee

Director.  
Geology & Mining Department.  
J&K Government.  
(on behalf of Governor of J&K State)

Witness

Witness:

Government of Jammu & Kashmir  
Department of Geology & Mining  
**Form QL1**

See Rule-46(i)  
Application for grant/renewal of Quarry license.

To  
The \_\_\_\_\_  
Department of Geology & Mining,  
\_\_\_\_\_

Sir,

I / We request you to grant/renew me/us quarry license for mineral \_\_\_\_\_ over plot No. \_\_\_\_\_ in area \_\_\_\_\_ for a period of 05 years under the Jammu and Kashmir Minor Mineral Concession, Rules, 2014.

2. I / We have deposited Rs. \_\_\_\_\_ as the application fee payable vide demand Daft / Treasury Challan No. \_\_\_\_\_ Receipt No. \_\_\_\_\_ dated: \_\_\_\_\_

3. Following are the required particulars;

A. In case the applicant is an individual.

- a. Name of applicant : \_\_\_\_\_
- b. Fathers/Husbands name : \_\_\_\_\_
- c. Occupation : \_\_\_\_\_
- d. Nationality : \_\_\_\_\_
- e. Permanent Address : \_\_\_\_\_

**B. In case the applicant is Firm/ Company/ Association/ Society:**

- a. Kind of business : \_\_\_\_\_
- b. Place of business : \_\_\_\_\_
- c. Place of Registration: \_\_\_\_\_
- d. Residency of Director's/Partner's: \_\_\_\_\_

N.B:

Please enclose copies of certificate of Firm's registration, partnership deed, power of attorney, Certificate of incorporation, Memorandum of Articles and Articles of Association and Directors about applying for quarry license.

Details of the applicant in Jammu and Kashmir in respect of other mineral concessions already held

S No.	Name of Division	Mineral for which lease is held.	Extent of area held (Give plot No's of Quarry license)	Period of Lease/Quarry License.		Location of Lease/Quarry license.
				From	To	
1	2	3	4	5	6	7

4. Details of Lease/License applied for simultaneously:

a \_\_\_\_\_

b \_\_\_\_\_

c \_\_\_\_\_

5. Are you intending to setup a mineral based Industry In tile area using this mineral as raw material (if so give particulars of the same) \_\_\_\_\_ .

I / We declare that particulars given above are correct and I / We will furnish any other details required in this connection on demand.

Yours faithfully,

Place: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Present Address: \_\_\_\_\_

Government of Jammu and Kashmir  
Department of Geology and Mining

**FORM QL2**  
**PROFORMA OF QUARRY LICENSE**  
See Rule 48(ii)

1. Quarry License No \_\_\_\_\_ 2. Valid Upto \_\_\_\_\_  
3. Name of Licensee \_\_\_\_\_  
4. Father's Name/ Husband's Name \_\_\_\_\_  
5. Address \_\_\_\_\_  
Name of block in which quarry license has been granted  
Village \_\_\_\_\_  
Tehsil \_\_\_\_\_  
Distt. \_\_\_\_\_  
7. Plot/Survey No. \_\_\_\_\_

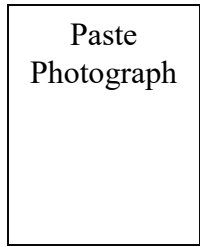
Authorized Signatory

Details about payment of license fee and period of subsequent renewals

S. No	Amount deposited	Challan/Cash Receipt No.	Date of Deposits	Period of Renewal	Authorized Signatory
1	2	3	4	5	6



Government of Jammu and Kashmir  
Department of Geology and Mining  
**FORM QL3**  
Authorization for lifting of Mineral  
See Rule 50(50.1)



1. Quarry License No \_\_\_\_\_ 2. Valid Upto \_\_\_\_\_
3. Name of Licensee \_\_\_\_\_
4. Father's Name/ Husband's Name \_\_\_\_\_
5. Address \_\_\_\_\_
6. Name of plot/area in which quarry License has been granted \_\_\_\_\_
7. Village \_\_\_\_\_  
Tehsil \_\_\_\_\_  
Distt. \_\_\_\_\_
7. Plot/Survey No. \_\_\_\_\_
8. Name of the Mineral \_\_\_\_\_
9. Quantity(MT) \_\_\_\_\_
10. Period \_\_\_\_\_
11. Royalty paid \_\_\_\_\_
12. G .R. No.: \_\_\_\_\_ Date: - \_\_\_\_\_
13. Challans issued \_\_\_\_\_

No  
Date

Authorized Signatory

Government of Jammu & Kashmir  
Department of Geology & Mining  
**FORM STPI**  
(to be submitted in triplicate)  
Model Form of Application for Short Term Permit  
See Rule 58(58.1)

1. Name of the applicant:
2. Address:
3. Location of the quarry
4. Survey No.
5. Village, Tehsil and District):
6. Quantity of the Minor Mineral proposed to be extracted/lifted:
7. Payment Particulars
  - (a) Challan No., date & amount:
  - (b) Name of the Treasury:
8. Route and Mode of Transportation:
9. Purpose of extraction/lifting of Minor Mineral (Own consumption or sale in case of sale, the name and address of the purchaser should be furnished):
- 10.. Loading point.
11. Destination of the Consignment with the name and address of the consignee.
12. Basic value of the minor mineral at pit head.
13. Date within which the applicant desires to extract/lift the quantity  
(the period should not exceed 30 days:
13. Other particulars which the applicant wishes to furnish in support of his application.

I/We hereby certify that the particulars given above are correct and to the best of my knowledge and belief.

Signature of applicant

Place:

Date:

Government of Jammu & Kashmir  
Department of Geology & Mining  
**FORM STP2**  
Model Form for quarry permit  
See Rule 59

Permit No.....

Dated.....

Permit is hereby granted to..... To extract/lift..... tonnes of.....  
(Name of Minor Mineral) from the area/plot situated at \_\_\_\_\_ in Survey No.....of  
village.....Tehsil \_\_\_\_\_ and District \_\_\_\_\_ in consideration of payment of a sum of  
Rs....being the Royalty on the said quantity and application fee, subject to the conditions  
prescribed under these rules.

Issuing Authority

Department of Geology & Mining

**FORM MD1**  
See Rule 62 (1)

**Application for grant & renewal of Mineral Dealer License**  
**(To be submitted in duplicate)**

Received at(place) on the(date)

To

The Director,  
Geology & Mining Deptt  
J&K Govt. Jammu/Srinagar.

Through

The Officer I/C District Mineral Office Geology & Mining Department  
District.....

Sir,

1. I/We request for the grant/renewal of Mineral Dealer's License for the period  
from ..... to .....
2. A sum of Rs. .... on account of application fee has been deposited  
vide Treasury challan/GR No..... dated .....at place).
3. The required particulars are given below:-
  - (i) Name of the applicant with complete address.
  - (ii) Status of the applicant[Individual/ Private company/Public  
company/Firm or Association] Specify.
  - (iii) Profession or nature of business of applicant
  - (iv) In case of renewal of Mineral Dealer License,  
No. of the existing Mineral Dealer License;

Date of grant of last Mineral Dealer License; and  
Date of expiry of Mineral Dealer License.

(v) Whether the applicant holds any Mineral concession/ Mineral Dealer License in the State, if yes please furnish details of such mineral concession or Mineral Dealer License

(vi) Mineral/minerals or its products, for which the applicant intend to hold License (Specify whether major or minor).

(vii) Quantity of each mineral to be stocked during the year.

(viii) Details of the land proposed to be used as stock yard or sale depot where applicant intends to store or trade the mineral/minerals or its products along

a) District :b) Tehsil :c) Village :d) Khasra Nos. :e) Extent of area :

(ix) Proof of ownership and possession of the land proposed to be used as stock yard/ sale depot (Where the land is not owned by the applicant, lease agreement of the land owner be attached)

(x) The area applied for should be marked on a Cadastral Plan or sketch plan drawn to scale, showing the location and extent of area with boundary marks to be used for the purpose of stack yard or processing unit and sales depot separately.

(xi) Details of the area from where mineral shall be procured.

(xii) Route/roads of mineral transportation from the source of mineral

(xiii) Any other details

I/We do hereby declare that the particulars furnished above are correct and am/are ready to furnish any other details including security deposit etc. as may be required by you.

Place:

Signature of the applicant

Date:

Name : .....

Address: .....

Government of Jammu & Kashmir  
Department of Geology & Mining

**FORM MD2**  
See Rule 62(4)

**Acknowledgement of Application for Grant or Renewal of Mineral Dealer's License**

Sr. No. .... Date : .....

Received the application for the grant/renewal of Mineral Dealer's License with following enclosures from Shri/ M/s. .... on ...for the mineral(s)/ product(s) .....

Enclosure :

Signature of receiving  
Officer with seal of office.

Government of Jammu & Kashmir  
Department of Geology & Mining

**FORM MD3**

See Rule 62 (5)

**Register of applications for Mineral Dealer's License**

- 1 Serial No
- 2 Date of application of License
- 3 Date of receipt of application
- 4 Name of the applicant with full address
- 5 Name of the mineral/product for which License is applied for
- 6 Village, Khasra No. and extent of the stocking area
- 7 Quantity to be stocked in a year
- 8 Period for which grant/renewal of License is applied
- 9 Application fee paid details treasury challans/G.R.No. \_\_\_ date \_\_\_ Rs. \_\_\_
- 10 Final disposal of the application together with number and date of the order
11. Signature of the Officer.

Government of Jammu & Kashmir  
Department of Geology & Mining

**FORM MD4**  
See Rule 63(4)

**Model Form for grant/ renewal of Mineral Dealer's License**

A Dealer's License to stock, sell and exhibit for sale of mineral under J&K Minor Mineral Concession, Storage, Transportation and Prevention of Illegal Mining Rules, 2014

No. .... Date .....

Mineral Dealer's License is hereby granted under the J&K Minor Mineral Concession ,Storage , Transportation of Minerals and Prevention of Illegal Mining Rules, 2014 in favour of Shri/ Smt./ M/s .....to sell, stock and exhibit for sale the under mentioned following mineral(s)/Product(s) at the stockyard indicated below for the period commencing from ... to \_\_

**Mineral(s)/ Product(s)**

1. .... (Specify whether Major or Minor).
2. ....
3. ....
4. ....

**Location of Stockyard**

District, Tehsil, Village, Extent of area, Detail of area (Khasra numbers)

Quantity allowed to be stocked during the year (in MT)

Period of License granted

The License shall expire on .....

Seal of the Licensing Authority  
Signature of the Licensing Authority.

Government of Jammu & Kashmir  
Department of Geology & Mining

**FORM MD5**  
See Rule 66

**Register of Mineral Dealer's License**

(To be maintained separately for major and minor minerals)

1. Serial Number
2. Name of the Licensee
3. Full Address
4. Name of Mineral(s) /Product(s)
5. Location of stockyard  
District :, Tehsil :, Village :, Khasra Number :, Extent of area :
6. Number and date of Grant/Renewal of License
7. Period of License
8. Remarks
9. Signature of the Officer

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Department of Geology & Mining

**FORM MD6**

See Rule 67(2)(i)

**Register having details of purchase and sales of the mineral to be maintained by the Mineral Dealer Licensee Dealer**

**(To be maintained separately for each mineral)**

Name of Dealer : \_\_\_\_\_, Location of the stock : \_\_\_\_\_ License Number : \_\_\_\_\_

Name of mineral : \_\_\_\_\_

**PURCHASE**

Date \_\_\_\_\_, Serial number of Transit Pass vide which mineral purchased \_\_\_\_\_,

Quantity of Each purchase (in MT)/ \_\_\_\_\_, Transit Pass \_\_\_\_\_, Total purchase (MT) \_\_\_\_\_,

Name of mineral concessionary from whom the mineral(s) purchased \_\_\_\_\_, Location of source (mine/ quarry) of purchase \_\_\_\_\_

**SALE**

Serial Number of Mineral Transit Pass issued for each sale \_\_\_\_\_, Quantity of each sale/(in

MT) \_\_\_\_\_, Transit Pass \_\_\_\_\_, Rate (in Rs.) of sale per MT \_\_\_\_\_, Name and

address of the consignee \_\_\_\_\_, Purchase price paid \_\_\_\_\_, Sale price realized \_\_\_\_\_

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**FORM MD7**

See Rule 67(2)(ii)

**Stock Register to be maintained by a Mineral Dealer**

1. Name and address of holder of License

2. License Number

3. Location of stockyard

4. Name of Mineral(s)/Product

(a) Date

(b) Opening balance (in tonne)

(c) Quantity of mineral purchased (in tonne)

Total Stock (b+c)

(e) quantity of Mineral dispatched from stockyard (in tones)

(f) Closing stock (in tonne) (d-e)

(g) Initial of the dealer

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**FORM MD8**  
See Rule 67(3)

**Monthly return to be submitted by Mineral Dealer/Licensee**  
**Return for the month of /.....**

(to be furnished by 10<sup>th</sup> of every month)

1	Name of Mineral dealer/Licensee	
2	Address of the Mineral dealer/Licensee	
3	Number of Mineral dealer/Licensee	
4	Period of Mineral dealer/Licensee	
5	Location of stockyard	
6	Name of Mineral(s) for which License is granted	
	(a) Name of Mineral	
	(b) Opening stock(in metric tones)	
	(c) Quantity of mineral received/purchased(in metric tonne)	
	(d) Total stock in the stockyard	
	(e) Quantity of Mineral dispatched during the month(in metric tonnes)	
	(f) Transit passes used during the month (i) Book Number: (ii) Serial Number:	
	(g) Balance of stock at the end of the month(in tones)	

Date:.....

Place:.....

Signature of dealer/Licensee